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World News

Hong Kong governor plans trip to Peking

Sir David Wilson, Hong Kong's governor, is expected to visit Peking within the next two or three weeks for talks with senior Chinese government officials.

Soviets boost output: Collective and state farms are to be transformed into more efficient units under a new plan to boost grain production.

Thailand faces crisis: Thailand's government was plunged into crisis by the resignation of Prime Minister Chatuchit Chulalongkornrajavidyalongkorn.

Indian troops depart: India hopes to complete by the end of March the withdrawal of troops from the east.

Perestroika threat: The Lithuanian Communist leadership is expected to announce that it will support the Soviet Union's perestroika reforms.

Yeltsin's Russia bid: Boris Yeltsin, the Soviet radical, is running for president of Russia, the largest of the Soviet Union's 15 republics.

Name restoration: Pressure is building in East Germany to restore the original names of thousands of streets, schools and factories.

Litter deters tourists: London's increasing amount of street litter could damage its popularity with tourists, warns the London Tourist Board.

Rabbi criticizes Tutu: South Africa's Chief Rabbi Cyril Harris criticized Archbishop Desmond Tutu for saying that he supported Palestinian protests against Israeli rule.

Israeli visits Moscow: Israel's Science Minister Ezer Weizman is scheduled to go to Moscow next week.

Socialism to stay: North Korean leader Kim Il-sung has expressed confidence that socialism under his leadership will survive the current wave of reform sweeping eastern Europe.

PLO's European plan: The PLO's foreign affairs chief Farouk Kaddoumi has suggested Arab states invest in Eastern Europe to counter pro-Israeli influences there.

Wales in Soviet trip: Solidarity leader Lech Walesa said that he planned to travel to the Soviet Union in late winter and expected to meet Mikhail Gorbachev.

Rebels seize towns: Fighting intensified in northern Ethiopia where rebels claimed to have seized three towns, Western diplomats said.

US airline threat: Northwest Airlines said it had received a bomb threat against a new year's weekend transatlantic flight from Paris to Detroit.

Business Summary

GAN of France buys UK insurer for £230m

Groupes des Assurances Nationales, French state-owned insurance company, is to take over General Portfolio Group, UK life insurer, for £230m.

Gold price: GOLD was fixed in London at \$398.60 an ounce - the first time for five weeks that the fix has been below \$400.

AEROSPACE: Japanese government, in an effort to get the long-stalled FSX co-production fighter aircraft project with the US off the ground.

US Commerce Department predicted steady but slower growth in 1990 for US industry despite pessimistic signs for the important auto and construction sectors.

CITICORP: US banking group, has signed a HK\$2.2bn (\$282m) agreement to purchase up to 40% of a 1.6bn sq ft central Hong Kong office development.

DAIRY: France's largest management buy-out, the FR77m (\$12m) takeover of Darty, leading electrical goods retailer, became the subject of a police investigation six weeks after being criticised by stock market authorities.

MOYOR: West European new car sales and production reached record levels in 1989, despite signs of weakening demand in some markets in the final months of the year.

ANGLO: United, mining and fuel distribution group, has continued to dispose of assets acquired in its £478m (\$770m) contested takeover of Coaltel last July.

ENERGY: An international power plant consortium, involving Hawker Siddeley Power Engineering of the UK, won a \$1.07bn deal to supply a 1,200MW oil-fired power station complex to Pakistan.

UK Gilts: market drifted downwards yesterday as sterling tumbled to a record low against the D-Mark.

PHILIPPINE stock exchange experienced panic selling after a warning that there could be a new coup attempt against President Corason Aquino next month.

FOODS: The deep split in the family controlling Campbell Soup became public when three members sold an investment group to which they belonged wanted to sell its 17.3 per cent stake in the company.

CREDITANSTALT, Austria's biggest bank, plans to increase its dividend by at least Sch10 (82 cents) a share for 1989.

Romanian leadership will contest free elections

By John Lloyd and Judy Dempsey in Bucharest

LEADERS OF Romania's new Government said yesterday that they would contest free elections to be held in April. This is in contrast to previous statements from the Committee for National Security which indicated it would retire from politics.

In a lengthy interview, Mr Silviu Brucan, a senior member of the committee, gave full details of the capture of the Ceausescus - not yet published in Romania; revealed that General Ion Vlad, the national commander of the Securitate (security police) had tried and failed to make a deal with the new forces of the revolution; rejected any possibility of economic reform before the elections scheduled for next spring.

Mr Brucan, speaking in his office in the heavily guarded Foreign Ministry late on Wednesday night, insisted that the committee would remain the main political force in Romanian society, leaving little space for the other parties being formed. He said, however, that there would be free competition for votes in the elections.

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Mr Ceausescu's regime continued to be written yesterday when one of his four brothers, Marin, was found hanged in the Romanian Trade Mission in Vienna, as other leading members of the family were arrested inside Romania.

Mrs Elena Ceausescu, sister of the former ruler, her son Emil, and the wife of Mr Ilie Ceausescu, one of the deposed leaders, were all arrested by Romanian armed forces in their home town of Scornicesti.

Mrs Barabulescu was seized with cheques worth 500,000 lei (\$90,000) and 86,000 lei in cash, according to the state news agency, Agerpres.

Bank supports weak pound as D-Mark rises

By Patrick Harverson, Economics Staff, in London

THE BANK of England intervened to support sterling in the foreign exchange markets yesterday as the strong D-Mark left the British currency trailing in its wake for the second day running.

The pound closed in London down 2½ pence at an all-time low of DM 2.7225. Sterling's weakness has added to City of London's nervousness about today's trade figures.

The pound also fell sharply against the main European currencies, which were higher on the back of the strong D-Mark.



Alexander Dubcek, leader of the Prague Spring reform movement crushed by the Soviet-led invasion in 1968, was yesterday elected Speaker of Czechoslovakia's Parliament.



Vaclav Havel, the Czechoslovakian playwright whose plays were banned for more than 10 years, will today be elected President by his country's Federal Assembly.

UK moves against Noriega funds

By David Lascelles, Banking Editor, in London

THE UK government took legal steps yesterday to obtain details of bank accounts in Britain suspected of concealing drug money belonging to General Manuel Noriega, the deposed Panama strongman.

The moves came as diplomatic efforts by the US and Panama to secure the General's release from sanctuary in the Vatican mission in Panama city continued at a stalemate.

Most UK banks have not waited for official orders to block the accounts. They have already tried to identify accounts belonging to both Gen Noriega and Mr Nicolae Ceausescu, the executed Romanian president, whose assets are now being sought by the new Romanian government.

Mr Bernard Kouchner, the French minister for humanitarian affairs who was in Bucharest on Wednesday, said the Romanian Health Ministry has confirmed the death of 748 people.

Japan releases 'import expansion programme'

By Robert Thomson in Tokyo

JAPAN has concluded that the good times of decline will soon be over, after nine successive months of falling trade surpluses.

Inspired by the vision of bloody trade wars with the US, the Japanese Government yesterday released what it described as "drastic import expansion measures" that are "unparalleled in history and the world."

Hillsborough Holdings files for bankruptcy court protection

By Roderick Oram in New York

HILLSBOROUGH Holdings, a Florida housebuilder and construction materials company owned by Kohlberg Kravis Roberts, the leading US leveraged buy-out specialist, has filed for bankruptcy court protection following its bondholders' rejection of a refinancing package.

It is one of the largest and most notable failures among the few US leveraged buy-outs to date which have had to seek the protection.

KKR says the suit is without merit but the plaintiffs have succeeded in blocking further asset sales. Unable to raise the cash to pay down more of its debt, Hillsborough tried to renegotiate \$200m of notes, only to be tripped by the onerous provision of the bonds.

The general turmoil this autumn in the junk bond market plus the Texas lawsuit caused Hillsborough's bond prices to collapse.

MARKETS section containing financial data for Sterling, Dollar, Gold, and various indices.

CONTENTS section listing various news items and their page numbers.

Advertisement for Dunhill watches, featuring an image of a watch and the brand name.

OVERSEAS NEWS

Panama mops up after invasion

By Tim Coone in Panama City

PANAMA yesterday began the task of cleaning up after the US invasion of last week. Makeshift barricades erected in Panama City by local vigilante groups to guard against looters began to be dismantled, as US troops were finally deployed to re-establish law and order.

Another market has sprung up as hundreds of millions of dollars worth of goods looted from Panamanian shops during the first days of the invasion as law and order collapsed, are on sale. Looted video-tape recorders are offered for \$50.

Roman Catholic Archbishop Marcus McGrath of Panama said yesterday that, although Panamanians have welcomed the US troops and the ousting of the local military leader General Manuel Antonio Noriega, the US should hand over all government functions as soon as possible to the new Panamanian authorities.

US forces yesterday detained two senior Panamanian military officers as they left the embassy. They were naval Commander Arnulfo Castellón and Lt-Col Carlos Velarde, a Defence Forces chaplain, a US Southern Command spokesman, Col Jerry Murgia, said.

Noriega waits to face the music

Lionel Barber on the search for a deal over Panama's ex-ruler

BOXED IN by loudspeakers blaring rock music into his hideaway in the Vatican, Manuel Noriega yesterday experienced the same psychological warfare which he used so effectively as military ruler of Panama.

First, the Roman Catholic Church has a centuries-old tradition of providing sanctuary. To reverse this policy, even in the case of the much-reviled Noriega, would provoke an outcry from Latin American church leaders who have already condemned the US invasion.

over to US forces, he declared, "would be absolutely outside usual norms of diplomatic procedure and international law."

The obvious solution would, therefore, be to turn Gen Noriega over to the Panamanians for trial in Panama.

Yet the musical games played by the American soldiers amount only to a diversion. The pressing issue is how to reach a deal on the deposed Panamanian leader which is acceptable to the US, the Vatican and the newly installed Panamanian government.

Second, as the Vatican made clear this week, it intends to act in accordance with "international law and justice." This means that Gen Noriega cannot be handed directly over to the US because the Papal Nuncio in Panama City is empowered only to deal with the host country, not with Washington.

Some such as Mr Guillermo Ford, Vice President, want a public trial; others argue that it is more important to rebuild the devastated economy and let the Americans take care of the dirty business of dealing with Noriega (a pacifist view engrained in the Panamanian middle class which helped to create the climate for last week's US invasion).

In a letter to the Pope leaked to the US press yesterday, President Endara made clear he favoured such a course. "The current situation... is that Noriega would be in the hands of troops of the US who would presumably guarantee his security and presumably bring him to justice for the common and despicable crimes of which he is accused in that country. In our judgment, this solution would save innocent Panamanian lives."

The diplomatic and legal manoeuvring began on Christmas Eve when the Vatican ambassador in Panama City - the Papal Nuncio - granted refuge to Gen Noriega, who is wanted in the US on drug-trafficking charges.

Gen Noriega was granted temporary refuge only in contrast to asylum, which provides wider guarantees of safe passage. The Papal Nuncio did not clear his office of sanctuary with Rome, and made it only after the fugitive General pledged to end the fighting in Panama.

Privately, however, US officials concede that the prospect of a trial in the US is still remote. Panama has no extradition treaty with the US (though officials are searching for loopholes in the 1904 treaty between the two countries that created the legal basis for the Canal). More importantly, Mr Bush has made clear that the Endara government, should it choose to assert sovereignty, must have first crack at Gen Noriega.

US efforts are focusing more on preventing a deal whereby the General could be dispatched to asylum in a third country, such as Cuba, where he could continue to wreak mischief.

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Third, the Vatican appears to act on odds over the US claim that Gen Noriega is a common criminal who must be brought to justice.

Given the above contradictions, it seems clear that no deal on Noriega will be ideal.

In Tokyo yesterday Honda said the company would be able to supply adequate spares for its US-made cars sold in Israel. He added that direct exports from Japan to Israel - which the Foreign Ministry says it would prefer - were not possible because of supply constraints at home.

US budget pact called 'sham'

By Anthony Harris in Washington

IN AN opening shot in the partisan warfare expected over the US budget soon, the Democratic chairman of the Congressional Joint Economic Committee, Representative Lee Hamilton, has denounced the current budget agreement as the administration's strategy of waiting for President George Bush to make the first move.

Mr Hamilton, in a report which appears to be an individual enterprise, calls for a tax increase to reduce the budget deficit, and the adoption of an independent economic assessment, rather than the administration's projections, as a basis for the budget.

Exports were targeted to rise by between 2 and 3 per cent in 1990 and imports by between 3 and 4 per cent. No comparative figures were given.

The group claimed responsibility for wounding of two army officers in attacks in Madrid and Valencia on December 13 and 15.

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Spain's Civil Guards were yesterday shot dead in the northern Spanish city of Gijón. Our Foreign Staff writes. Police suspect the attack, by two men and a woman, was the work of the far-left First of October Antifascist Resistance Groups (Grapo).

Cuba sets modest growth target

By Anthony Harris in Havana

CUBA is aiming for economic growth of between 1 and 2 per cent in 1990 despite a continuing shortage of hard currency and expected disruptions in trade with East European socialist countries, the island's main suppliers of goods and aid, Renter reports from Havana.

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Mitterrand well pleased as Ireland takes the helm

Lucy Kellaway reports on the successes and failures of France's six-month stint in the EC presidency

WHEN President Mr François Mitterrand of France climbs down from his European high chair at midnight on Sunday, he will doubtless feel well pleased with himself.

In particular, important new rules will be in place comfortably by January 1 1992, to cover telecommunications, banking and mergers, as well as matters such as package holidays, insider trading, and the rights of students, pensioners and playboys to live wherever they like in Europe.

Both had been given a push at the Strasbourg summit, where heads of Government had put them on the urgent list for approval by the end of the year, but both proved too hard for the French and will be handed on to Ireland, president from Monday, to see out.

Industries need to be fostered? Can certain sectors - such as North Sea oil supplies - continue to be outside the rules.

Israel puts pressure on Honda over boycott

By Hugh Carnegie in Jerusalem

THE ISRAELI Government, campaigning against compliance by foreign companies with an Arab boycott of Israel, has demanded that Japan's Honda Motor Company publicly back a decision by its US subsidiary to export cars to Israel before it will approve the imports.

Shifting sands of politics create new Arab hopes

Max Rodenbeck and Victor Mallet examine the implications of Syria's renewed links with Egypt

A WEEK of furious Middle East diplomacy, culminating in renewal of relations between Egypt and Syria, has revived hopes of a period of dynamism in the Arab world after years of economic stagnation and empty political rhetoric.

relationship has improved dramatically in recent weeks. Yesterday Col Abu Bakr Younis, the Libyan Defence Minister and envoy for Col Muammar Gaddafi, the Libyan leader, met President Assad in Damascus after a visit to Iraq.

in each other. Egypt and Iraq, together with Jordan and North Yemen, recently formed the Arab Co-operation Council, which was regarded in Syria and elsewhere as a vehicle for Arab aggression.

Reconciliation may be prompted by fears of a changing world rather than genuine conviction

Yet Arab unity of any meaningful sort remains a distant dream. It is now possible to drive from Morocco in the west to Iraq in the east, but trade between Arab nations still represents less than 10 per cent of the regional total.

Even if an Arab consensus for accommodation with Israel emerges - a development which will be viewed with displeasure by those Israelis who fear Arab unity and who oppose giving up Israeli-occupied land in exchange for peace - other issues will continue to be divisive.

Iraq and Syria, with their mutually antagonistic Presidents and rival wings of the Baath party, are still at loggerheads, although Egypt is expected to attempt to bridge their differences.

Brazilian kidnap gang 'linked to the far left'

By Ivo Dawmay in Rio de Janeiro

INVESTIGATIONS of an international gang of kidnapers, captured in São Paulo last week, have revealed links with extreme left groups across Latin America, according to the head of Brazil's federal police.

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Turkey withdraws 'turban ban'

By Jim Hodgson in Ankara

TURKEY yesterday withdrew a ban on the wearing of Islamic head-dresses in higher education institutions, an issue which has been at the heart of controversy over the threat to the secular state posed by resurgent Islamic conservatism.

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Britain boosts aid for Ethiopia

By Ivo Dawmay in London

Britain yesterday gave a further £1m towards famine relief in Ethiopia, and called on the government and rebel movements in the provinces of Eritrea and Tigray to allow safe passage for food supplies.

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Arrests among Medellín clan

By Ivo Dawmay in Bogotá

Eight first cousins of the Ochoa Vasquez family in Colombia, a Medellín clan accused of cocaine-smuggling, have been seized so authorities can determine if they are involved in the drug trade, Colombian police said yesterday, Renter reports from Bogotá.

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Mitterrand: Pushed through measures on the single market

EASTERN EUROPE

# Lithuania warned on 'threat to perestroika'

THE Lithuanian Communist breakaway from Moscow is provoking the Soviet central party to take decisions that threaten the Kremlin's perestroika reforms, Pravda said yesterday, Reuter reports from Moscow.

A front-page editorial in the party daily, published two days after a Central Committee meeting on the issue, said the Baltic republic's decision this month to set up an independent party had "caused great concern in society. (The decision) in essence is a blow to political reform, our hopes and plans to renew socialism in a spirit of humanism and democracy," it said.

Repeated statements by President Mikhail Gorbachev and other senior Communist leaders that the formal break in the party, the first since the 1917 Bolshevik revolution, struck at the very heart of the Soviet political structure. "The Soviet Communist Party is being provoked to react in a way that could ruin many perestroika processes," it declared.

The party Central Committee this week postponed a decision on whether to act against the establishment of the new party, pending Mr Gorbachev's visit to Lithuania early next year.

The breakaway communists interpreted this as a partial success providing them with a grace period to consolidate support. Communists in the republic voted by more than five to one to establish a separate party as the sole means of regaining lost popularity ahead of local elections in 1990.

The breakaway party has been given an enthusiastic reception throughout the republic. But Pravda said the decision raised the spectre of another bitter round of inter-ethnic tension in the country.

"We have reached a dangerous line and we must stop in front of it and put an end to discord and misunderstandings and rule out methods of pressure, blockades and force," it added.

"(Events) have shown that party organisations lose wherever and whenever they give way to the pressure of nationalist, separatist forces and consort with them."

is another revived Czech tradition from 1918-38, when "the Five" - the leaders of the coalition parties - decided all important matters of state, leaving their enactment to parliament and their execution to government.

The students' cry "Havel to the castle" was heard first in Prague. The provinces are not so enthusiastic. All they knew about Havel was that the press called him a bourgeois intellectual troublemaker moving in and out of prison, supported by money from abroad.

Leaving vituperation aside, this claim of the communist press was justified. Havel was born 83 years ago into a family of Prague entrepreneurs. Because of his origins, he was denied higher education but despite this, is an outstanding intellectual. His employment as a laboratory assistant and in a brewery did nothing to alter his essential personality. The discrimination he suffered, and his experiences, provided him with material for plays and motivated his dissident activities.

It is also true he received money from abroad. Royalties from his plays in London and elsewhere were his only income and though modest, seem to have been sufficient. The communist press was also wrong in describing him as a "troublemaker" moving in and

# Intellectual who holds Czechs' future in his hands

Can Vaclav Havel replace a lopsided economy with one more suited to his nation, asks A.H. Hermann

VAACLAV Havel, whose plays were banned since 1968, will today become the ninth president of Czechoslovakia. He will be elected by the Federal Assembly in the Vladislav Hall of Prague Castle. The Assembly will be chaired by Alexander Dubcek whose attempt to give socialism a human face was crushed in 1968.

As soon as he is sworn in, the people of Prague will be told by 20 rounds from a battery of guns brought this morning to the Plain of Letna. The new president and members of the Federal Assembly will then proceed to the cathedral for Mass. The people may well find this recognition of the Catholic Church more stunning than the election itself.

But the real game of politics takes place out of the public view, and it would be wrong to believe the change in the power structure is as pervasive and fast as this symbolism would suggest.

The Federal Assembly will be complying merely with an agreement reached at a "round table" of the Communist Party and the new political organisations which have mushroomed during the past month. The rule of a power centre formed outside the constitutional organs and consisting of the leaders of the coalition parties

will be free. Beyond that, it is difficult to see if his popularity and influence will survive the present enthusiasm, and the unavoidable difficulties of transition to a multi-party system and market economy. At present, he still prefers writing to being a president, and says he will stay on in his modest apartment. This he may find impractical, particularly if he is re-elected.

Constitutionally, the Czechoslovak president has no greater power than the British monarch. It depends entirely on the strength of his personality and political skill whether he can become as influential. Thomas Masaryk exercised enormous

influence by his personality alone. Starting as a village apprentice, he became a university teacher, fighting causes and proclaiming humanitarian ideals. Havel's ethos is clearly inspired by the same ideals as Masaryk's. Unlike Masaryk, he was born rich, but the silver spoon was wrenched from his mouth. He is small, dresses informally, speaks haltingly and when interviewed gives short, monosyllabic answers.

Where Masaryk was contemplative, Havel reveals a remarkable absence of doubt: there is a great strength in his singleness of purpose, his ability to give a "yes" or "no" to almost any question. He has shown himself willing to forgo personal comforts, even going to prison for his opinions.

It is an important feature of Havel's struggle with a hypocritical oppressive regime, but it is not the sort of post-revolutionary bravado which now sweeps the country. His political manifesto was dated April 8 1975, preceding by 10 years glasnost and perestroika. It took the form of an open letter to President Gustav Husak. It is couched in complicated intellectual language.

Havel started his letter by saying it was fear which made everybody behave as if Czechoslovak society were united, when in fact it was sliding into a crisis more dangerous than



Havel: Responsibilities

any in its recent history. This "ersatz life" was the result of such superficial conformity when energy was spent on chasing scarce food and consumer goods, and individuals lost the sense of their identity.

But even in 1975, Havel was optimistic. Life can be repressed for long periods, he said, but not stopped forever. The silent striving of the oppressed would in the end shatter the power structure. The 1968 "moment of truth" had to be paid for dearly, but the humiliation which followed would lead to a still greater explosion. And so the explosion brought Havel to the castle.

One question remains unanswered. Will Havel and those who follow his lead be able to replace the lopsided economic structure of Czechoslovakian industry with one more in harmony with the country's resources? Will they be able to terminate Czechoslovakia's counter-productive command economies by freeing market forces and the skills and inventiveness of the people?

The movement unleashed by Havel reminds one of Masaryk's "Castle Group" - which did much for Czech arts in the inter-war period, but left the economy and politics at the mercy of politicians and bankers. One hopes history will not be repeated.

# Yeltsin seeks presidency of Russian Republic

MR Boris Yeltsin, the Soviet radical, is running for president of Russia, the largest of the Soviet Union's 15 republics, the Interfax news service said yesterday, AP reports from Moscow.

Mr Yeltsin won more than 5m votes in a landslide victory last spring to become Moscow's representative in the national parliament.

He will have to win a second round of voting in the Russian Federation parliament to seek the presidency. The Russian parliament will elect the president from among its members.

Mr Yeltsin has won wide popularity with his anti-élite stance and call for more radical reform. He rejected a suggestion last spring that he run against Mr Mikhail Gorbachev for presidency of the whole country, in an election in the national Congress of People's Deputies.

Russia is the largest republic in the Soviet Union, stretching from Leningrad through Siberia to the Pacific coast. About half the nation's 286m people live in Russia.

Voters in Ramezki, a town

near Moscow, nominated Mr Yeltsin, said Interfax, which is affiliated with the state-run Radio Moscow.

Mr Yeltsin was dumped from his job as Moscow Communist Party chief in late 1987 after his outspoken criticism of party leaders. He was later given a state post in construction.

The 58-year-old former engineer turned his stance as a fighter for justice and victim of the party bureaucracy into a sweeping victory in elections for the Soviet Congress last March, when he won 89 per cent of the Moscow vote.

As a national legislator, Mr Yeltsin has emerged as a leader of the fledgling opposition to Communist Party leaders and has continued to push for faster reforms.

Elections are scheduled for this March in the Russian Federation. No other prominent candidates for the presidency have been announced.

The current Russian Federation president is Mr Vitaly Vorotnikov, a long-standing member of the party's ruling Politburo.

# Soviet collective farms 'to be transformed'

COLLECTIVE and state farms are to be transformed into more efficient units under a new plan to boost grain production, a senior Soviet Communist Party official was quoted as saying yesterday, Reuter reports from Moscow.

Mr Yegor Stroyev, a party Central Committee secretary, interviewed by Pravda, said an overhaul of pricing was vital to overcome chronic food shortages and to free the Soviet Union from the "bondage" of imported grain. "The collective and state farms can and must be transformed - into co-operatives, associations of leaseholders, groups of shareholders

and other bodies in accordance with the wishes of producers," Mr Stroyev said.

"The main thing is to remove step by step artificial contradictions and consolidate all forces and possibilities, so independent farmers have a single concern - how to feed the country."

Complete overhaul of the pricing system was vital to encourage efficient production methods. "We must re-examine the existing pricing mechanism. This probably means unified base prices or reducing the difference in prices between regions. Prices must provide a stimulus for quality."

# E Germans want thousands of streets to be renamed

By Leslie Collitt in East Berlin

PRESSURE is building in East Germany to restore the original names of thousands of streets, schools and factories which were named after communist notables, and to give back Karl Marx Stadt its original name - Leipzig.

The initiative picked up momentum after an all-German Christmas reunion in which 1.5m East and West Germans took advantage of new visa-free travel to pay visits across the border on December 24 and 25.

East Germans expressed support in letters to local newspapers and radio interviews for an initiative by the Liberal Democratic Party (LDPD), Karl Marx Stadt to change the Saxon city's name back to Chemnitz which it bore until 1963.

The party also called for the Juri Gagarin Strasse, named after the late Soviet astronaut, and the Lenin Strasse, named after the Soviet leader, to be renamed. The party also called for the pre-war Polish Communist, to again be called Zschopauer Strasse and Bernsdorfer Strasse as they were before the Communist takeover.

Virtually every town in East Germany has a Karl Liebknecht Strasse or an Ernst Thälmann Strasse, named after pre-war German Communist leaders. Local citizens are now calling for these streets to be given back their original names. But this is not as easy

as it may seem.

No other European country apart from the Soviet Union has undergone so many name changes in this century as Germany. Thus, many a Wilhelmstrasse after World War I was changed to Adolf Hitler Strasse under the Nazis, then to Leninstrasse when the Red Army conquered East Germany.

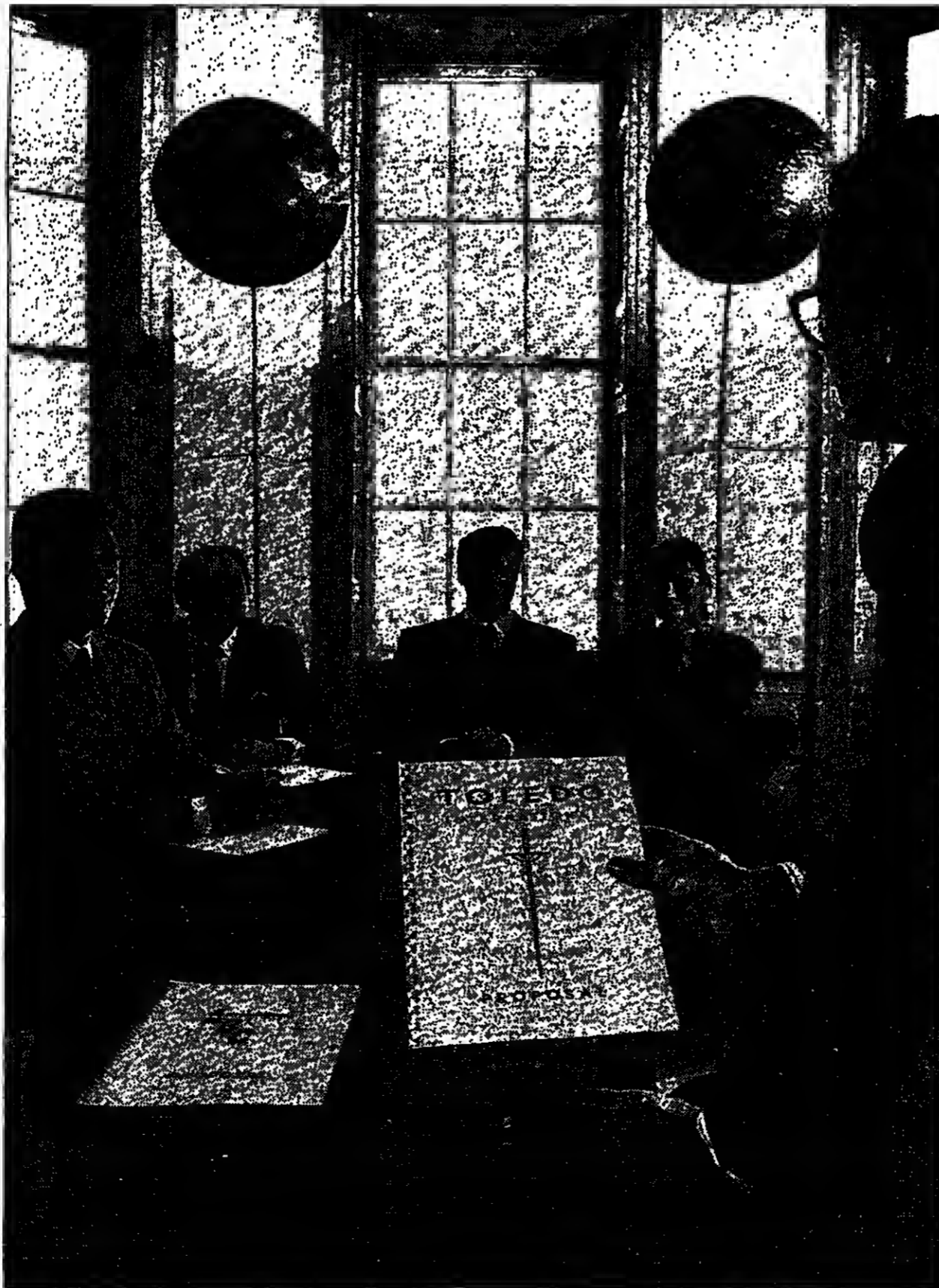
The inhabitants of Potsdam outside Berlin are calling for their Leninstrasse to be given back its former name of Luisenstrasse. Hundreds of streets, squares and schools named after Wilhelm Pieck, the first East German President, may be next in line for name changes.

Times have also changed radically for Communist Party members. Employment signs outside East German factory gates warn that party members need not apply for jobs.

The situation is worst for former employees of the hated Ministry of State Security who are being boycotted by citizens. While some former chauffeurs of the Ministry are starting city buses in East Berlin, Leipzig and Dresden, most ex-security employees have a much harder time finding employment.

The Government has set up special commissions to ensure that the former security officials are not discriminated against in seeking work.

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THE POSSIBILITY MADE REALITY.

OVERSEAS NEWS

W European car sales set for record

By Kevin Done, Motor Industry Correspondent

WEST EUROPEAN new car sales and production have reached record levels in 1989...

WEST EUROPEAN NEW CAR REGISTRATIONS January-November 1989. Table with columns: Volume (Units), Volume Change (%), Share (%), Share (%) Jan-Nov 89.

Mercedes-Benz has begun to regain some lost ground in the final quarter of the year...

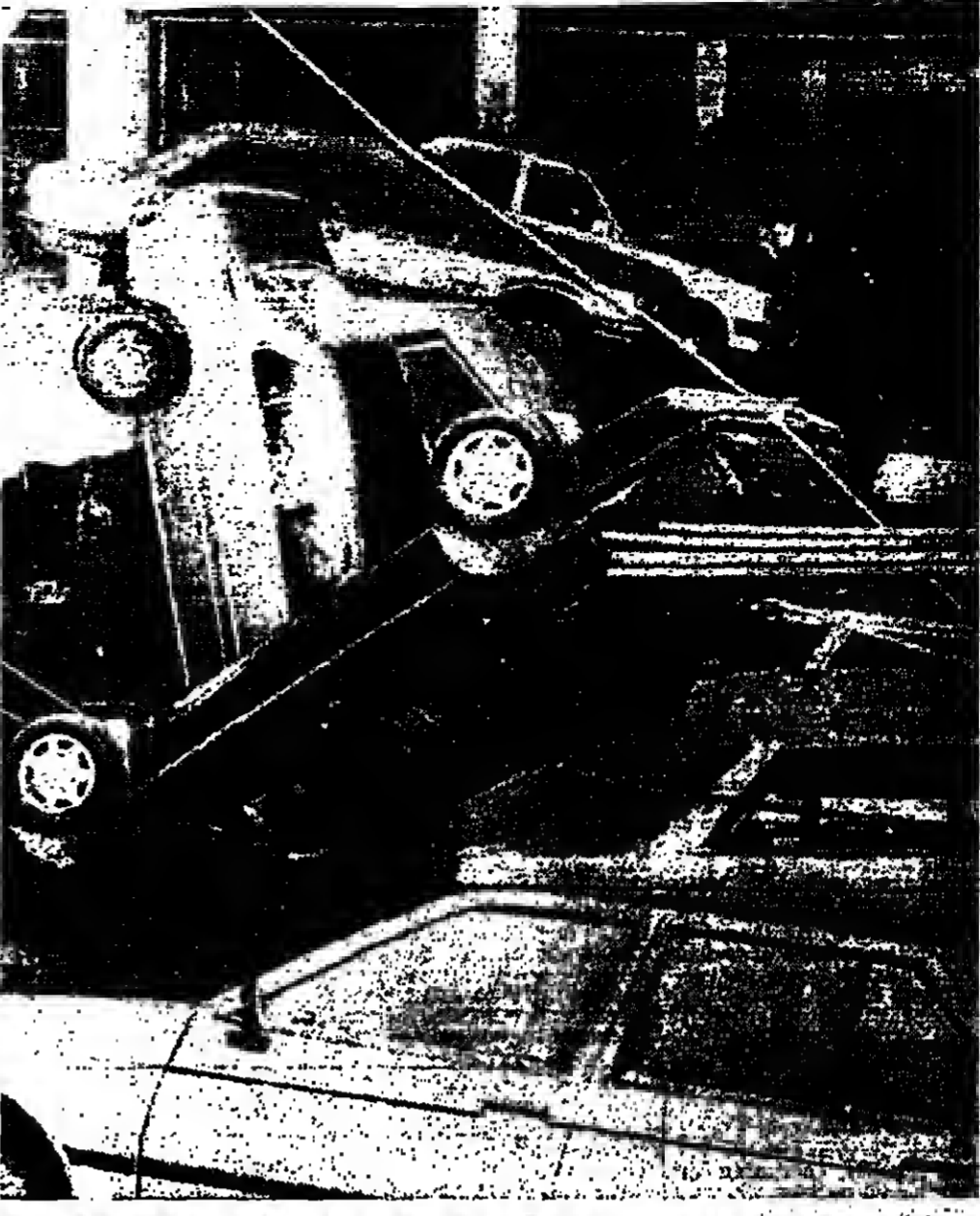
Tokyo faces up to rubbish mountain

By Michiyo Nakamoto in Tokyo

TOKYO will be swamped with rubbish within a few years unless immediate measures are taken...

The balance could be tipped in Fiat's favour next year, when it assumes effective control of the Maserati and Innocenti marques...

volume car maker in Europe this year, with a 10.5 per cent jump in sales to capture the market...



Cars overturned and crushed in the car park of the Workers' Club in Newcastle, north of Sydney...

Deputy PM resignation causes crisis in Thailand

By Peter Ungphutorn in Bangkok

THAILAND'S government has been plunged into crisis by the resignation of Prime Minister Chatuchak...

These have taken on increasing importance for several government and opposition parties...

Ministers from all five coalition parties sought yesterday to minimise the damage by insisting that the Democrats are still in the government...

Few want to face a general election only 18 months after the last one, in which much money was spent campaigning...

On Wednesday, Mr Bhiwachai tried to persuade the cabinet to reverse the decision but faced strong opposition...

India to pull-out 'by end-March'

By K.K. Sharma in New Delhi

THE Indian Government announced yesterday that the withdrawal of its troops from Sri Lanka would be completed by the end of March...

Japanese in Soviet machine tool venture

By Robert Thomson in Tokyo

A SOVIET company and two Japanese companies, Fannic and Mitsui & Co. have agreed to establish a joint venture...

Threadbare time for textiles

By Alice Rawsthorn

THE WORLD textile trade experienced a period of consolidation in the third quarter of 1989...

Pakistan in \$1bn power plant deal

By Frank Gray

AN INTERNATIONAL power plant consortium, involving Hawker Siddeley Power Engineering of the UK...

Private Sector Energy Development Fund (PSEDF) to encourage local private sector involvement in power development...

on the price at which the project sells that electricity to the Water and Power Development Authority...

Manila stock sale panic

PANIC selling swept the main Philippine stock exchange yesterday after a senior general had warned there could be a new coup attempt...

Political stalemate leaves Greek economy in deep freeze

After two indecisive elections, the people of Greece are finding no-party government worse than one-party government

AS NATIONS to its north enter the 1990s in a state of breathless excitement over their new freedom...

programme, including the construction of a container terminal, must fervently be hoping that the socialists do succeed...

ty's disposal - and the tutelage it seeks to exercise over social organisations (professional bodies, trade unions, even football teams) - are broadly comparable with the privileges enjoyed by communist parties in much of eastern Europe...

subterfuge, into an extension of western Europe. The central bank attracted a flood of foreign money to the country by liberalising interest rates and making capital inflows reversible...

with more obvious items such as poor communications and inadequate schools - a structural barrier to progress. Not that he is against democracy...

This year, having slipped a few points behind the conservatives, the socialists devised a system proportional enough to deny the conservatives an outright majority...

So powerful are the trends towards European integration that the absence of a stable government is unlikely, in the medium term, to prevent Greece adapting its legislation to that of western Europe and leveling its economic playing field...

# Wrangle over coal imports puts power station at risk

By Maurice Samuelson

THE SOUTH of Scotland Electricity Board last night threatened to close one of its large coal-fired power stations, after British Coal claimed victory against it in a long-running legal battle over coal supplies.

Judge Lord Dervard of the Scottish Court of Sessions in Edinburgh upheld British Coal's claim that its business with Cockenzie and Longannet power stations was governed by commercial contracts limiting SSEB's ability to switch to cheaper imports.

The ruling was hailed by miners' leaders anxious about more than 1,000 jobs at Longannet, Scotland's last underground mine, which supplies the adjoining power-station of the same name.

British Coal and SSEB, however, clashed immediately over their interpretation of the judge's ruling regarding Cockenzie, a 1,500MW power station, which burns 600,000 tonnes of coal per annum.

The judge ruled that the plant's fuel needs are covered by a 25-year contract until August, 1992, and that British

Coal could charge its full price. SSEB last night indicated that the contract could be enforced only if the station were kept open, adding that it would close if British Coal's deliveries were too dear.

British Coal's lawyers dismissed this threat, claiming that it had a contract to supply Cockenzie "regardless of use."

On the 2,300MW Longannet station, the judge ruled that a commercial contract existed for all its fuel requirements, thereby effectively barring its use of imports. The contract does not cover current prices, and he offered to set a fair price after further hearings.

SSEB said it preferred to negotiate these directly with British Coal for the two power stations.

"We hope that these decisions will bring British Coal back to the negotiating table. The SSEB takes the view that the sensible way round these difficulties for Longannet and Cockenzie is to agree, as we argued all along, on a market-related price, such as we have offered to British Coal.

"This would allow these

major Scottish investments in generating plant to be operated to supply Scotland and export electricity to England and Wales. It would also secure the maximum market for Scottish Coal."

British Coal, however, saw no need for negotiations over Cockenzie's coal price, claiming it was up to the judge to enforce the contract in full. On Longannet, British Coal preferred to rely on the judge rather than to re-enter negotiations.

SSEB's tough stance stems from its claim that it can import coal at about half the price of local supplies. Last year, it imported about 500,000 tonnes and its coal stocks, at more than 3m tonnes, exceed a year's requirements.

With its large surplus of generating capacity, Scotland is also far less reliant on coal than the electricity industry south of the border. It may be able to dispense entirely with coal when the North of Scotland hydro board's Peterhead plant begins using gas from the North Sea's Miller field in the early 1990s.

## IN BRIEF

### Exxon and Shell boost Scottish job creation

A £10m investment in a large chemicals factory in Scotland has created twice as many jobs indirectly in the Scottish economy as at the plant itself, according to a new study.

The report, by economists at St Andrew's University in Scotland, analysed the effects on employment of a five-year-old chemicals complex at Mossburn, Fife, run jointly by Exxon of the US and the Anglo-Dutch Royal Dutch/Shell.

The researchers, led by Mr Stuart McDowell, say a total of 2,200 jobs have been produced in Scotland as a result of the investment.

**B&C buyout halted**  
SHAREHOLDER opposition has forced Colonnade Development Capital, a small investment company with net assets of £9.7m, to back away from its plan to buy British & Commonwealth Holdings' development capital arm.

Colonnade said yesterday the proposal would not be put forward at today's extraordinary general meeting. The B&C plan, which is part of the financial services group's effort to reduce borrowings by realising non-core investments, had drawn criticism from a number of institutions.

**Ambulance action**  
AMBULANCE officers from two of London's divisions were last night being suspended by the London Ambulance Service for refusing to transfer to work at headquarters in Waterloo.

According to the London Ambulance Service management, 12 officers were being taken off the payroll from the north-west division and six from the north-east division.

**Underground fire**  
A man died yesterday after he was engulfed in flames at a London Underground station. He suffered extensive burns at West Brompton station, west London.

The cause of the fire was being investigated.

# London street litter threatens tourist trade

By David Churchill, Leisure Industries Correspondent

LONDON'S increasing street litter could damage its popularity with tourists, the London Tourist Board warns today.

A survey of 1,200 overseas visitors to the capital carried out this summer found that 47 per cent thought it was dirty or fairly dirty. Visitors from West Germany in particular thought it was a dirty city.

The LTB survey discovered that visitors were especially conscious of litter on the streets - seen as a problem by some 85 per cent.

The LTB says: "Underground stations were also considered by the majority to have a litter problem, as were the underground trains. But parks were considered to be the most litter free with the buses also less of a problem area."

The LTB said it conducted the survey because "London has been gaining an international reputation as a city which is not tackling the problem of litter as effectively as it should."

Tourist industry leaders are worried that if the situation persists, it could harm London as an international tourist destination in the 1990s.

Already, London's dirty



Streets of London: Litter proves a turn-off for tourists

streets have been partly blamed for the estimated fall in the number of visitors to London this year from other parts of the UK.

The number of overseas visitors, however, increased by an

estimated 4 per cent this year to 9.5m, with the tourists spending some £3.6bn.

According to the LTB survey, the Tower of London and the changing of the Guard ceremony at Buckingham Palace remain the most visited attractions for overseas visitors.

About three-quarters of those surveyed had visited or intended to visit Oxford Street and Piccadilly - the areas of London which have the worst litter problem.

The survey showed that the rejuvenated Docklands area is becoming a tourist attraction in its own right.

Also on the positive side, four out of five overseas visitors still rated Londoners as friendly or very friendly.

Overseas Visitors Survey, Development Department, LTB, 25 Grosvenor Gardens, London, SW1W 0DU, 220.

# Guardian joins newspaper trend in offering individual contracts

THE Guardian newspaper plans to offer individual contracts to any of its 1,000 staff who want them - a policy that will run "from the chairman to the office boy."

The management of the liberal daily is the latest in a trend of UK national newspaper industry to reassess the employment conditions of its journalists.

Associated Newspapers, publishers of the Daily Mail and the Mail on Sunday, have announced plans to de-recognition the National Union of Journalists and move all journalists to individual contracts.

The process of change at The Guardian is much more piecemeal and has been driven apparently by two factors - approaches to management by senior advertising executives and journalists asking

for their performance to be individually appraised and the need to stop poaching of Guardian journalists.

This year 19 senior Guardian journalists had serious approaches from other newspapers, primarily the Sunday Correspondent, The Observer and The Independent although only three of them left the City team who went to either the Independent or the Independent on Sunday.

Pay rises to those journalists who have signed individual contracts have ranged from 25,000 to £10,000.

The average salary of Guardian journalists is just over £28,000.

Although the policy change has not yet been formally spelled out, The Guardian management has decided that

the closed shop - full union membership - at the paper is over.

The paper will continue to recognise trade unions and staff who want to be covered by collective agreements will be free to do so but equally anyone wanting an individual contract can have one.

NUJ officials at the Guardian have accused management of introducing individual contracts behind their backs and warned the issue would be taken to the disputes procedure. A meeting between management and the NUJ chapel (branch) is expected next week.

The Guardian has pulled out of talks with the New Statesman and Society about a possible takeover because of the financial position of the political weekly.

# Independent body to rule on disputed exam results

By Richard Donkin

SCHOOL examination candidates in England and Wales are to be given an independent appeals tribunal to deal with disputed results in the GCSE, Advanced level and Advanced Supplementary level exams.

Mr John MacGregor, the Education Secretary, confirmed the decision in a letter to the School Examinations and Assessment Council, the advisory body on education matters which recommended the move. He asked for the results of public consultations and detailed recommendations to be submitted by April.

The aim is to provide an independent last resort for pupils, parents or schools challenging GCSE and A/AS level examination results.

The tribunal would not re-mark exam papers but could instruct an examining body to reconsider a particular case.

Replying to a letter from Mr Philip Halsey, the SEAC's chairman, Mr MacGregor said: "The opportunity to refer disputed cases to the scrutiny of an independent tribunal should provide an additional



MacGregor: confirmed appeals

assurance of fair dealing and strengthen public confidence in public examinations."

He said relatively few grading decisions were challenged and most disputes were resolved by the six examining bodies' own appeal arrangements. "In a small number of cases the bodies' own procedures have not resolved matters and pupils, parents and schools have been left with a sense of injustice," he said.

# Report highlights exodus of teachers from schools

By Richard Donkin

TEACHERS are moving from London and the south east for better life styles in the north and the west of England, leaving behind them severe classroom shortages, according to a new report by the department of education at Manchester University.

Prof Alan Smithers, director of the two year research programme of 417 secondary schools from 10 local authorities across England and Wales, said high house prices in the south east and London had led many teachers to move north.

"Teaching is a fairly mobile profession. Many teachers are trying to cash in their houses in the south to enjoy a better life style in the north. They can buy a bigger house and release some of the capital as cash," he said.

The report said that 64 per cent of the posts advertised in the south east receive less than three applications while in the north 87 per cent of posts have more than three applicants and in the north 52 per cent of advertised jobs get more than 10 applications.

Prof Smithers said: "In London, the south east and the West Midlands you have a higher resignation rate than in the north. There are also fewer people coming forward to fill vacant jobs."

Teacher resignation and retirement rates drawn from local authority statistics show increases in London, the South East and West Midlands between 1987 and 1988. The London rate rose nearly four per cent in the two years from 13.6 per cent to 17.2 per cent.

During the same period, however, resignations and retirements slowed down in the south west, the north west, the north and Wales.

"The number of applications for jobs in the north and west would suggest that the quality of teachers is rising in those regions," said Prof Smithers.

The report, which highlights the different emphasis placed upon teacher welfare by the Department of Education which, during pay negotiations, usually refers to the 1 per cent of teachers who leave annually for other paid employment.

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DAI-ICHI KANGYO BANK

# DKB ECONOMIC REPORT

December 1989: Vol. 19, No. 12

## Great Expectations from Recovery in Personal Consumption

While the Japanese economy continued its expansion this year, three new factors have come into play, changing the face of the economy.

More business indicators now show a slower rate of increase (see chart). Growth in industrial production peaked in the January-March period and then stayed almost level for the next half year. The slowdown affected employment. Beginning late last year, growth in overtime working hours gradually diminished, and growth during the July-September period was actually down 0.2% from the same period last year.

A growth in import volume, on a year-to-year basis, has been moderate, falling from the 16.7% increase posted last year, to 7.1% during the first half of the current year, and 7.6% for the July-September period.

The slowdown in supply-side growth is due partly to bottlenecks like the labor shortage, but the major cause is believed to be a slowdown in the growth of demand, particularly in the area of personal consumption. According to a survey, spending growth per household has been slowing since April.

Export growth and other demand indicators have also been slowing. The only exception to this trend is capital investment: capital goods shipments increased on a year-to-year basis by 8.1% during April-June, and by 6.4% during July-September. This sector is leading the economic expansion with steady growth.

**Business confidence remains high**

Although the numbers show that economic expansion has slowed this year, companies are still optimistic over economic trends. According to the "Short-Term Survey of Principal Enterprises" conducted by the Bank of Japan in August, the diffusion index assessing business performance in the manufacturing sector maintained a record high level in August, as did the estimate for December.

Corporate profits remain high, and this is taken as the main reason why

companies stay optimistic over economic trends. In the manufacturing industry, the ratio of current profits to sales stood at 5.60% during the first half, and 5.54% during the latter half of fiscal 1989. This is close to the value calculated for the second half of fiscal 1988, when the economy grew at its biggest rate during this recent period of brisk expansion.

Other factors contributing to corporate optimism include continued increases in capacity utilization, and the continuing labor shortage.

**Upward pressures on prices increasing**

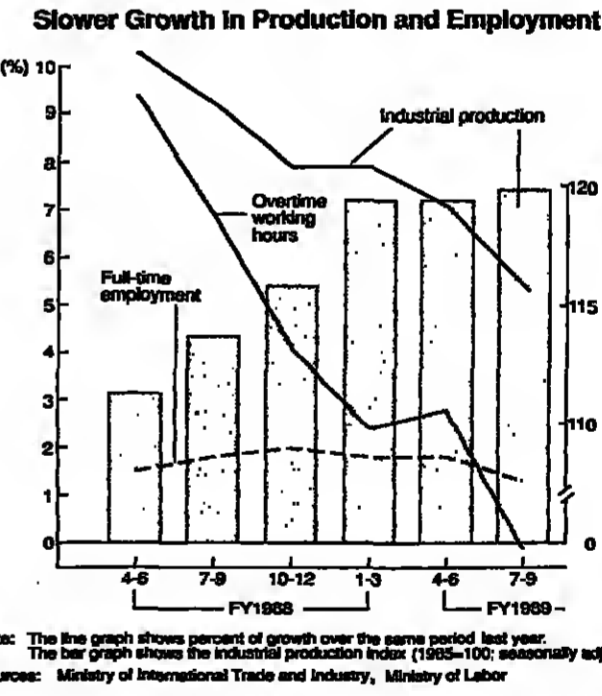
The second striking difference in the Japanese economy between 1988 and 1989 is the rise in prices. Wholesale and consumer prices have both been rising at an increasingly rapid pace since the beginning of the year.

Although the rise since April was caused partly by the consumption tax introduction, both wholesale and consumer prices posted a year-to-year gain of about 3% respectively. Even when the new tax is discounted, prices remain clearly higher. Three factors are at work in the background. First, the supply/demand relationship has tightened for both products and labor during the full three consecutive years of economic expansion in November. Second, the yen has dropped against the dollar, pushing up import costs and weakening the ability of imports to ease tightness in the supply-demand situation. Third, oil prices are up this year.

**Weaker yen and tighter monetary policy**

The third major change in the Japanese economy this year comes from the weakening of the yen and the tightening of monetary policy.

The yen/dollar exchange rate has hovered lower since it peaked at ¥120 to the dollar last November. The 1989 average exchange rate is certain to end lower than the previous year for the first time since 1984. There are two reasons for



## SPAIN

The Financial Times proposes to publish a Survey on the above on 19th February 1990.

For a full editorial synopsis and advertisement details, please contact:

Richard Olive  
on 01-577 0909

or write to him at:  
Financial Times Services, 38, 28001 Madrid  
Fax: (01) 564 6813

Alternatively  
Susan Lynch, One Southwark Bridge, London SE1 9HL  
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UK NEWS

Labour offers to bring in North Sea tax incentives

By John Mason and Maurice Samuelson

A LABOUR government would introduce a more flexible tax policy to encourage further development of North Sea oil fields...

MR DOBSON'S call for the Government to take a lead on energy efficiency was echoed by the Association for the Conservation of Energy...



Frank Dobson: too late to operate a depletion policy

Mr Dobson said Britain would enter the 1990s as a net importer of fuel, after being self-sufficient in the 1980s...

Quoting a Department of Energy study submitted to the United Nations, it said Britain could halve fuel use in the 1990s...

year importing more natural gas from Norway than it brought ashore from its own oilfields...

Mr Dobson said that the Government should act to reduce consumption of oil and gas resources and improve energy efficiency and conservation...

Industry's biggest client learns to budget

David White describes MoD plans for imposing accountability on the armed services

SENIOR military officers are being submitted to training in a new set of skills in what one administrator describes as a 'Gorbachevian revolution from the top'...



RAF mechanics at RAF schools will now have to cost maintenance and repair jobs

The change arises in a development called the New Management Strategy or NMS, in its MoD abbreviation...

Responsibilities are in future to be delegated under 'activity budgets' with managers (many of them in uniform) enjoying financial authority...

Research Agency out of four of its research establishments and giving the Meteorological Office similar status with effect from next April...

Five 'fairly definite' candidates have been chosen to try out the new system, starting next April with the Navy's Hydrographic Office...

Throughout the system, including the front line, the ministry has identified separate budget areas...

Below that stretches a hierarchy of budgets. For instance, the Army's Quartermaster-General, with top-level budget, will sub-allocate to 'higher-level budgets'...

Higher-level budgets will be 'full-cost', including overheads and depreciation. Yet equipment purchases - amounting to £8m a year - are not counted in the delegated budgets...

Defence officials believe they will have enough difficulty in setting a tant series of objectives for the different units and achieving consistency...

training units and hospitals. On the military operations side, however, the process starts with the unit budgets for fighting formations...

They admit that working out how to attribute costs will be a 'real headache' in, for example, Northern Ireland, where battalions succeed each other in regular rotation...

Another question left for the future is whether budget holders within the system should have more flexibility on pay and grading arrangements...

Gould warns of national 'relegation'

MR BRYAN GOULD, the shadow Environment Secretary, said in a new year message to his constituents that Britain was ending the 1980s in danger of being relegated to the 'third division of world powers'...

Democrats told they have 'months' to find identity

MR PADDY ASHDOWN, the leader of the Liberal Democrats, yesterday warned his party had only 'a matter of months' to create a clear identity and set up an organisation to convey its electoral message to the voters...

Insurance fire claims rise by 34%

FIRE INSURANCE claims for the third quarter of 1989 rose by 34 per cent to £212m, from £158m in the same period last year, according to the Association of British Insurers...

Publishers suffer market saturation

MOST publishers say that they are being crippled by the volume of unsold books returned by booksellers, according to a survey by KPMG Peat Marwick McLintock, the accountants and management consultants...

NEWS IN BRIEF

Recession in 1990 is 'not inevitable'. A RECESSION in 1990 is not inevitable although the new year might get off to a difficult start...

Union seeks to increase women MPs

THE GMB, Britain's second largest trade union, is to introduce a quota system in an attempt to increase the number of women MPs it sponsors...

WARTSILA advertisement: The shareholders of Oy Wärtsilä Ab are hereby summoned to an Extraordinary General Meeting of Shareholders...

Credit National advertisement: Guaranteed Floating Rate Note due 1991. In accordance with the terms and conditions of the Note...

Avoidable fate of the AIDS disk victims

Alan Cane says computer viruses can be defeated if users bother to take precautions

PEOPLE who fed the now notorious AIDS diskette into their personal computer and ended up with a virus-ridden, inoperable system have suffered an avoidable fate...

The computer crime unit of the Metropolitan Police fraud squad, which is co-ordinating the search for the perpetrators, says it has had a great many calls from computer users struck by the virus...



Few personal computer users are truly security conscious

access to the building is restricted, several passwords are needed to open sensitive files, and so on. The same data stored in a personal computer system is often unprotected either by physical locks or software barriers...

Chemical clean-up

FIREMEN were yesterday beginning to remove more than 100 drums of chemicals which had been washed ashore on the Isle of Wight...

Court TV extended

A FURTHER seven Crown court centres in England are to be equipped to take televised evidence from child witnesses in child abuse and assault cases...

Flu kills 472

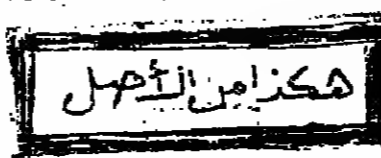
BRITAIN'S influenza outbreak killed 472 people as it reached its peak in the week ended December 18, compared with 102 the previous week...

Famine relief of £1m

THE UK is to give a further £1m to famine relief in Somalia, bringing the UK's total to £2.8m...

EC storm victim aid

THE European Commission has allocated £20,000 in emergency aid for people in the UK who suffered as a result of the storms earlier this month...









ARTS

Cinema heralds death of the vile

At the end of a decade when we have been stupefied senseless by masked maniacs and serially massacred by high-school killers our film critic Nigel Andrews notes the return of shockability...



Helen Mirren and Michael Gambon (above) in The Cook, the Thief, His Wife and Her Lover; and (left) Dustin Hoffman and Valeria Golino in Rain Man...

What millions of people pay large sums of money to go out and see (or save large sums by avoiding seeing) may tell us more about the world's mind...

well - eventually - exorcise it. In an innocent age, fairy tales have their role to play. Best of all this year, amid the Babnans and Ghostbusters and Indiana Joneses, was Rain Man...



John Malkovich as the scheming Vicomte in Dangerous Liaisons

uses what Tom Wolfe takes 500 pages to say in his overpraised novel The Bonfire of the Vanities: that we are all "brothers"...

totters along from crisis to crisis. The year's two best British movies were Mike Leigh's High Hopes and Tati Film by Peter Greenaway...

film-making for much of the 1980s. Unfortunately, only Channel 4 seems to know the trick to this; and its one-channel effort is now understandably flagging...

will still keep turning even if it does not. Movies continue to be an art form that defies crystal ball gazing. Who knows? In the year 2000, we may all be celebrating the New Albanian Cinema and wondering what ever happened to that nice little town called Hollywood...



Una Stubbs as a far from hag-like Mrs Hardcastle

She Stoops to Conquer

ROYAL EXCHANGE THEATRE, MANCHESTER

Any day now we can expect the feminist version of She Stoops to Conquer. Or can we? Imagine the searing indictment of the socio-emotionally crippling effects of an upper-class educational system that turns young Englishmen into stammering dummies...

dan. It has more heart than the one, clearer perception than the other. Above all, it is shot through with affection: for sturdy Mr Hardcastle, whom Ewan Hooper makes such a good old man that we feel uncomfortable for him when the deluded young Hooley Henry treats him as a country squire...

are moments when Goldsmith glances across the Channel to the other shore. The same awareness of love's responsibility and pain echoes Marivaux's often charted voyage to emotional self-knowledge...

that is, than the rustic clown we usually see. The same respect for reality marks the casting of Mrs Hardcastle not as the customary bedizen frump, let alone the "hag" of the text...

successful with Young Marlow. Peter Lindford, so excellent as Mephistopheles in the Lyric Hammersmith's monumental Goethe production, is confirmed as one of the best young actors around. His agony of shyness is a joy to watch...

Martin Hoyle

ARTS GUIDE

THEATRE London Anything Goes (Prince Edward). Cole Porter's silly ocean-going musical has four of the most marvelous songs and Elaine Paige falling to emulate Ethel Merman. Jerry Zak's desperately bright production comes from the Lincoln Center in New York...

McNary and Susan Hampshire (887 1118). Another Time (Wyndham's). New Ronald Harwood play, directed by Elijah Moshinsky, about a white South African family in Cape Town and Madisa Vale. Albert Finney plays father and concert pianist son across 38 years...

of the musical. Rumours (Broadhurst). Neil Simon's latest comedy is a self-conscious farce, with numerous slamming doors and lots of nattering but hollow humour that misses as often as it hits...

ing melodies in this mega-transfer from London (238 8200). Washington Annie B (Opera House). The American oeuvre is not immune to sequels, which plagues the other arts...

Aladdin

WIMBLEDON THEATRE

We're in Aladdin's Cave just by the Grotto of Jewels. Aladdin has temporarily got a few points ahead of Abanazar and is transformed to Prince Ala Din in the cheeky Aladdin, stage splendour and a princess (Katie Ewald) who can put over a Nat King Cole number with the best of them...

exception. The dancing and the sound and light effects are astonishing. Cilla Black, after a slight problem with the microphones on the first night, makes an admirable cheeky Aladdin, sings splendidly and has a princess (Katie Ewald) who can put over a Nat King Cole number with the best of them...

Alan Forrest

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Friday December 29 1989

A yen for more imports

ONE MORE set of import-increasing measures from Japan's Ministry of International Trade and Industry is unlikely to disarm the more virulent American critics of the Japanese trade surplus.

hosing and infrastructure and long working hours in explaining why high income levels are not fully reflected in the quality of life. It also hints that the failure to bring living standards into line with the country's productivity may pose a threat to the country's much vaunted social cohesion.

Ambiguous indicator

Japan's ratio of imports to GNP remains relatively low. But there is no conclusive evidence to suggest that this results from import impediments.

Latin America's next decade

IF ESTABLISHING political freedom is one of the basic goals of any society, then Latin American countries have made remarkable progress over the last decade.

From Professor Richard Portes. Sir, it is regrettable that the Trade Policy Research Centre should have to close (Observer, December 27). This news shows how difficult it is in Europe to attract unrestricted funds for independent research on economic policy.

Debt burden

Such a poor performance is not difficult to explain. The debt crisis which emerged in 1982, put tremendous pressure on financial resources and macroeconomic management.

James Buchan and Anatole Kaletsky on the record of LBO specialists KKR
The judgment of tougher times

This time last year, Henry Kravis and George Roberts were at the summit of their power and reputation, the unchallenged masters of an almost magical technique for financing business called the leveraged buy-out. The two men, who are cousins, had just bought the RJR Nabisco tobacco and food company in a tumultuous Wall Street auction, the largest acquisition by anybody ever.

KKR's record

KKR has run five separate funds since 1980. The first two funds have been liquidated. Returns for the others are based on KKR's estimate of asset values on May 31 each year. Assets held for less than a year (eg, RJR Nabisco, Duracell, Seaman Furniture and Shop'n Shop), are excluded from 1987-89 calculation.

- \*Includes high expected profits from Beatrice, since reduced.
† Assumes 10% interest
\*\* Assumes 12% interest



Henry Kravis (left) and George Roberts

Table with 7 columns: Dates of fund operation, Size of fund \$m, Annual returns 1987 estimate, Annual returns 1988 estimate, Return on S&P 500, Return on S&P 500 1-1 leverage, Return on S&P 500 10-1 leverage. Rows include years 1980-87, 1982-87, 1984-89, 1986-89, 1987-89.

But in 1989, little has gone right for Kohlberg Kravis Roberts. The firm has done just one small deal since RJR. Three companies in which KKR has large stakes have run into difficulties and growing doubts have been expressed about the high prices they paid for their two biggest acquisitions, RJR and Beatrice Foods.

Now, instead of planning still grander projects from their penthouse offices - Mr Kravis high above New York, Mr Roberts in the San Francisco clouds - the cousins find themselves in grueling negotiations with lawyers and the work-out officers of second-string commercial banks.

What seemed like three near-of-the-mill leveraged buy-outs when they were done in 1987 and 1988 - Seaman Furniture in New York, SCI Television in Nashville and the Jim Walter housebuilding company in Tampa, Florida - have become causes célèbres on Wall Street this year as they have failed to meet their debt obligations.

But with the aid of perspective one can also see a more fundamental problem, which was put into relief last year to acquire Jim Walter's KKR last year to acquire Jim Walter, filed for bankruptcy protection from its creditors.

Their greatest competitive advantage was in inventing and selling very low-grade debt securities, including bonds that did not pay cash interest for many years.

Now that a number of these bond issues have proved impossible to service, the cousins' position is generally unimpaired. The junk bond investors and bankers who have lost money were sophisticated financiers.

This justification is broadly accepted in the junk bond market, where KKR has won high marks for the hard work it has put into restructuring its troubled deals. Mr Wilbur Ross, the Rothschild Inc investment banker who advised the bondholders at SCI Television, was impressed by the firm's willingness to help save the business.

lines and Gateway Stores in Britain among them. When the buy-out opportunities emerge again, either because of falling stock prices or declining interest rates, KKR will have no trouble raising money to start buying again.

Such investments are extremely risky. So far these risks have apparently been justified by the sensational returns earned by equity investors.

But with lower leverage and higher risk premiums being demanded by banks and junk bond lenders, it may prove impossible for KKR to generate the sort of returns on equity which investors have come to expect.

sensational 59 per cent compound return on the \$2.9bn equity it had invested in leveraged buy-outs between 1982 and May 1987. Even after subtracting the 20 per cent out which the firm took the projected profits to equity investors would have come to 49 per cent, KKR said.

The return on equity achieved by the KKR funds has actually been lower than the firm suggested back in 1987. According to previously unpublished figures which KKR itself supplied (see table), the estimated weighted average rate of return on the \$3.2bn of equity the firm invested in all its funds between 1980 and 1987 was 33 per cent after expenses - one-third lower than the 49 per cent claimed back in 1987.

The partners make no apologies for this reduced estimate. They point out that the 1987 prospectus was not intended as a forecast, but merely an estimate of asset values on a specific date - May 31, 1987. "For the 23 years I've been in this business, I've always said the same thing to investors - you will make three to four times your money in six or seven years. I've said it so often I can say it in my sleep," Mr Roberts says.

By using just the one-to-one leverage margin available to any individual investor in the US stockmarket, a simple S&P portfolio would have produced an annual return of 23 per cent from 1982 to 1989. A ten-to-one leverage ratio, which would reflect more accurately the risks inherent in LBO investment, would have made 47 per cent compound - half as much again as the equity returns at KKR.

Why then why are KKR's institutional clients not complaining? Why, in fact, do most of them continue to express enthusiasm for the fund? The best reason for satisfaction with KKR's performance was revealed in a recent survey of pension fund investment published by the Massachusetts State Pensioners Investment Board. This showed that KKR was not the only leveraged buy-out sponsor failing to live up to the over-enthusiastic hype of a few years ago. The average anticipated return of all the leveraged buy-out funds was now only 23 per cent. Given its size, KKR would deserve its pre-eminence if it could continue to deliver a performance somewhat above this average. But why should the pension funds be so antipathetic about leveraged buy-out investment at all?

Most institutions now deny having hoped for returns in the 50 per cent range indicated in KKR's 1987 prospectus. "As long as I'm above 25 per cent I'm a very happy person," says Mr Robert Zobel, of the Wisconsin State Pensioners Funds, in a comment echoed by other fund administrators. "But why be so happy, considering that he could have had almost that result through normally leveraged stockmarket investment and done even better with extra leverage?"

LETTERS

Institutional funding for economic policy research

From Professor Richard Portes. Sir, it is regrettable that the Trade Policy Research Centre should have to close (Observer, December 27). This news shows how difficult it is in Europe to attract unrestricted funds for independent research on economic policy.

Potential markets for steel

From Mr J.F. Safford. Sir, readers will have noted that there is not a single reference to potential markets in Sir Monty Finniston's letter (December 21) about the Ravenscraig steelworks in Scotland.

base of "untied" money. This could be endowment income (the building helps, too), "core" funding from foundations or the public sector, or private sector contributions.

Bright lights of industry

From Mr Ivor Owen. Sir, Nick Garnett's article (FT, December 8) on the IVL survey on the attitudes and intentions of graduating engineers was of great interest.

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FINANCIAL TIMES

Friday December 29 1989

PLUMB CENTER WOLSELEY The name behind the name

CZECH REHABILITATION

Dubcek returns to public office as Speaker

By A.H. Hermann in Prague and Leslie Coffitt in East Berlin

MR Alexander Dubcek, the leader of Czechoslovakia's Prague Spring of reforms in 1968...



Political comeback: Alexander Dubcek, left, who led the country's Prague Spring reforms 21 years ago, raises his hand to vote yesterday in the Federal Assembly at which he was elected Speaker

Mr Dubcek's remarkable political comeback was a prelude to the certain election today of the playwright Mr Vaclav Havel as President of Czechoslovakia.

Mr Dubcek was returned to public office after the Federal Assembly yesterday adopted a constitutional amendment...

The Federal Assembly then immediately co-opted Mr Dubcek to the Parliament and 90 seconds later elected him Speaker, a post which...

He was elected by 291 deputies with only one abstention, after the opposition and the Communist Party agreed on his sole candidacy.

"This is a historic day of vindication for what you did in 1968," Mr Jozef Simut, a deputy, noted in his moving nomination of Mr Dubcek, who will serve as chairman of the Federal Assembly (Parliament) until free elections which are expected to be held in mid 1990.

Another constitutional amendment adopted by the Federal Assembly yesterday changed the wording of the presidential oath...

More positively, medical and dental equipment sales are expected to lead the growth in health products.

Mr Silhan had previously served as a deputy of Mr Dubcek in 1968.

retirement in his native Bratislava where he had earlier been relegated to a forestry administration job by his hard line successor Mr Gustav Husak...

Several former dissidents were also named as deputies including Mr Tomas Hradilek, a spokesman of the Charter 77 human rights organisation...

As soon as he is elected and sworn in at midday today President Havel will address the public and nation from the balcony of the Hradcany castle.

He will then attend, together with members of the Federal Assembly, a solemn mass at the Cathedral of Veit across a courtyard from the Vladislav Hall where the election will have taken place.

It is expected that tomorrow President Havel will visit the grave in Lany of Thomas G Masaryk, the founder president of the Czechoslovak republic.

The last president who attended a mass after his election and paid his respects to Masaryk's Grave was Clement Gottwald when elected the first communist president in the 1950s.

Steady growth in US predicted

By Nancy Dunne in Washington

THE US Commerce Department yesterday predicted steady but slower growth in 1990 for US industry...

and continued moderate pace of personal consumption. Mr J. Michael Farren, the Commerce Under Secretary for International Trade...

ren predicted another year of declining sales, although the drop would be less severe than in 1989.

improvement for mainframes when the next generation of hardware appears. More positively, medical and dental equipment sales are expected to lead the growth in health products.

Governor of HK tries to repair Peking rift

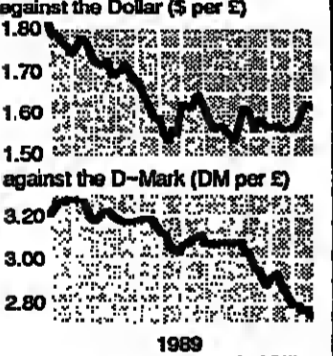
By John Elliott in Hong Kong

SIR David Wilson, Hong Kong's governor, is expected to visit Peking within the next two or three weeks for talks with senior Chinese government officials.

The visit is being planned at a time when leaders in the colony are calling for both Hong Kong and the UK to end their war of words with Peking...

General Motors said yesterday it would eliminate 3,200 jobs indefinitely at its Doraville, Georgia, Fairfax, Kansas and Oklahoma City plants.

Sterling



Bank intervenes on weak pound

Continued from Page 1 two days, aided by heavy buying from overseas investors. In London, share prices closed mixed, with the FTSE index briefly breaching 2,400 before finishing 3.0 higher at 2,396.8.

Japanese back down in row over FSX project technology

By Michio Nakamoto in Tokyo

THE JAPANESE Government, in an effort to get the long-stalled FSX co-production fighter aircraft project with the US off the ground, has agreed to shoulder the costs of transferring Japanese technology to US manufacturers.

Agency spokesman. "Since opposition in the US Congress has delayed the project for a whole year now, we are under pressure to get things going."

and technology transfers. Another thorny issue arose when General Dynamics suggested it might use Japanese technology it will obtain through the FSX project in military aircraft that it sells to other countries.

Although the two governments agreed last March on the conditions for the Y34.5bn (\$244m) development, the start-up has been stalled by a row over whether the US should pay for technology it receives through the project from private Japanese companies.

There is strong feeling among Japanese industry experts that Japan is conceding too much in the FSX deal. "Decisions concerning FSX are ruled by political considerations," said one Tokyo defence analyst.

The question of whether General Dynamics will be allowed to use Japanese technology on other aircraft will be considered "on a case-by-case basis" the Defence Agency said.

The US side, led by General Dynamics, however, has insisted on free access to Japanese technology. As part of the agreement reached last March, US government officials pledged to Congressional opponents of the project that it would give US manufacturers access to Japanese technology without any cost to the taxpayer or private companies.

Under the agreement concerning costs of technology transfers, the Japan Defence Force will pay for transferring Japanese technology on advanced composite-material wings which the US is particularly keen to obtain.

A Defence Agency spokesman said that "since the FSX is necessary, naturally the Agency will pay for what is essential for its production."

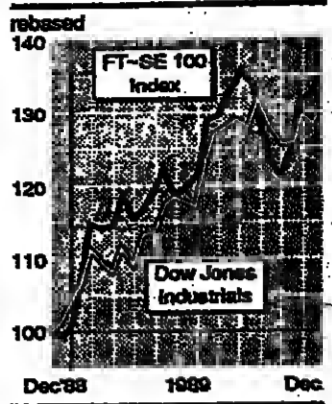
The Japanese Government, in its eagerness to save the project from further delay, finally agreed to pay the Japanese companies itself.

Then, after the initial agreement was reached last November, fierce opposition arose within the US Congress and Administration claiming that the US was giving away competitive technology to Japan.

Another Agency spokesman said that the decision to cover the cost this time did not necessarily mean Japan was ready to pay for other technology transfers in similar co-production projects.

THE FIN COLUMN

A year for the history books



It is a fitting tribute to the most outstanding decade for equity investment in modern history that UK share prices should celebrate the final year of the 1980s in such fine form. Just for a few moments, forget about Britain's depressing economic problems...

yields to fall by over 100 basis points, and inflationary pressures have remained surprisingly subdued. If the US economy had been tipped into any recession - or like West Germany and Japan had grown faster than average - the world's equity markets would not have performed nearly as well as they did.

Admittedly, the UK equity market, having greatly underperformed the stock markets of the other G-7 countries in 1988, had a lot of catching up to do. But nobody would have dared predict at the start of the year that it would rise by around a third, when the UK's economic problems have turned out to be much worse than expected.

fund managers. A recurring nightmare for the more cautious, especially those who missed out on the January rally, is that perhaps the UK and US stock markets are going the way of Japan, where share ratings seem increasingly divorced from reality.

Takeovers Whereas Wall Street has taken its cue from a strong bond market and ignored falling profits and increasing signs of corporate distress, the UK market has been bedeviled by a rerating. The yield on the FT-A All-Share has fallen and multiple have increased, despite a more hostile corporate environment.

Sterling

The UK Government's economic policy is in a shambles, and sterling's record low against the D-Mark yesterday is yet another reminder that any pretence at maintaining a firm exchange rate to quell inflation has been abandoned.

Record level There are a couple of reasons why share prices have done so much better than anyone had anticipated, taking the FT-A World Index in dollar terms to an all-time high, and nearly 16 per cent above its 1987 peak.

sterling's record low against the D-Mark yesterday is yet another reminder that any pretence at maintaining a firm exchange rate to quell inflation has been abandoned. Sterling's effective exchange rate is nearly a fifth lower than it was when Mrs Thatcher first took office, inflation is the highest of any major industrialised country and the UK is once again growing far more slowly than its competitors.

Among the investment themes of 1989, Sir James Goldsmith's attack on S&P's has reawakened interest in asset-stripping, or rather "unbuilding", and 1989 will be remembered as the year when companies like LWT and British Laid roused institutional interest in the rather sensitive subject of the balance between personal greed and legitimate corporate incentives.

Yet this year's 29 per cent rise in the FT-A All-Share index is the best performance since 1977 and looks all the more spectacular when it is remembered that the current bull market is 13 years old and has already lasted more than twice as long as any other.

But most of all it has been a year UK equity investors should treasure. They are unlikely to enjoy another like it for a long time to come, and the combination of events which produced the more than fivefold rise in UK equity prices over the last decade is unlikely to be repeated.

Table with 3 columns: City, Temp (C), Wind (km/h). Includes cities like Adelaide, Almaty, Anchorage, Antananarivo, Auckland, Athens, Baghdad, Bahrain, Bamako, Bangkok, Banjul, Barbados, Barcelona, Beirut, Belgrade, Bern, Bhopal, Buenos Aires, Cairo, Cape Town, Caracas, Chongqing, Copenhagen, Dallas, Delhi, Dhaka, Detroit, Dublin, Frankfurt, Geneva, Harare, Helsinki, Hong Kong, Houston, Indianapolis, Jakarta, Johannesburg, Kuala Lumpur, London, Los Angeles, Luxembourg, Madrid, Manila, Mexico City, Miami, Milan, Moscow, Mumbai, New Delhi, New York, Ottawa, Paris, Perth, Pretoria, Rome, Seoul, Singapore, Stockholm, Taipei, Toronto, Warsaw, Wellington, Winnipeg, Zurich.

Japanese 'import expansion measures'

Continued from Page 1

Naitoh suggested that a turnaround in the trend of decline was "inevitable".

He was echoing Japanese expectations that the yen will appreciate next year, and that the rise in export value could be compounded by an increase in volume if US demand increases.

At present, the US has a 22 per cent share of Japan's manufactured imports but the US has a 40 per cent share of the products listed by Miti as eligible for concessions.

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FINANCIAL TIMES COMPANIES & MARKETS Friday December 29 1989

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INSIDE

A bright spot shines in the Cape

South Africa FT-A World Index (local currency) Politically and economically, 1989 is expected to be a tough year for South Africa. Yet for the year just ending, the political environment, along with gold, has been responsible for the buoyant performance of the country's equity market, which has been the world's third best performer so far in dollar terms.

And Johannesburg stockbrokers are predicting still more for 1990. "Despite this strong rise in share prices, I feel optimistic about prospects for next year, mainly because the gold price has changed from a long-term bear trend to a bull trend," says Mr Max Barlow of broker Davis Borkum, Hare & Co. Patti Waldmeir reports. Page 28

Bitter news for accountants

An unusual dispute has broken out between John J Lees, a small Scottish confessional group, and its auditors, Touche Ross, one of Britain's largest firms of accountants. Lees is attempting to change its auditors - but Touche Ross has refused to resign. Shareholders are being asked to approve the removal of Touche Ross as auditors to the company at an extraordinary general meeting on January 22. Page 14

Leaders fight on at Mondadori



Sometimes judges seem to move in mysterious ways: the battle between Mr Carlo De Benedetti (left) and Mr Silvio Berlusconi for control of the Italian publishing group Mondadori looks unlikely to be settled for the next month or so, following two judgments that allow each of the rivals to win a battle but produce no overall victor. The loser could be the publishing company itself, which is left drifting without a rudder, writes John Wyles. Page 15

Citicorp builds in Hong Kong

Citicorp of the US is to spend up to HK\$2.2bn on a new regional headquarters in Hong Kong. The property deal is a flip for the colony, which needs to build offices in its role as a world financial centre and in its property market in the run-up to 1997, when it reverts to Chinese rule. Confidence was shaken by events in China in June. The developing consortium bought the site, in a prime location in Garden Road alongside Hong Kong's new Bank of China building, at a bargain price after the Tiananmen Square riots dented Hong Kong property prices. Now the consortium is considering naming the development Citicorp Centre to help attract other tenants. Page 15

Family at war

Families argue, particularly during Christmas, but the one controlling Campbell Soup is in a deeper feud. The three nieces of the late Mr Jack Dorrance, the chairman and son of the founder who died in April, said an investment group to which they belong wants to sell its 17.3 per cent stake in the giant food company - and they want the board to consider selling the whole company. Fighting them are three cousins controlling 31.3 per cent, who were elected to the board last week after they said they favoured the company remaining independent. Page 15

Market Statistics

Table with 2 columns: Index Name and Value/Change. Includes London recent issues, FT-A World Index, etc.

Companies in this section

Table listing companies like Anglo United, Astra, BET, etc. with their share prices and changes.

Chief price changes yesterday

Table showing price changes for various stocks like AMED, BHP, etc. in London and New York.

Table showing price changes for various stocks like AMED, BHP, etc. in London and New York.

Bid piranhas find a lot to chew on

Nikki Tait looks at the surge in the number of takeover deals struck during 1989

Between those showing snow scenes and views of St Pauls came a Christmas card with a difference. It showed a series of piranhas, each about to swallow a successively smaller piranha. It emanated from Antonio von Marx, the distant cousin of Sir James Goldsmith, who made a bizarre entry into the £13bn (£21bn) bid battle for BAT Industries. Mr von Marx's card may not be subtle or seasonal, but he has a point. For much of 1988, the market in Britain's corporate assets has remained in full, rapacious swing. In the first nine months of 1989, according to Exel Financial, completed deals involving UK target companies totalled a hefty £26.8bn. This compares with just £26bn in the first nine months of 1988.

Top 12 successful takeovers of UK quoted companies during 1989

Table with 3 columns: TARGET, ACQUIRER, VALUE £m. Lists takeovers like Beecham, Consolidated Gold Fields, etc.

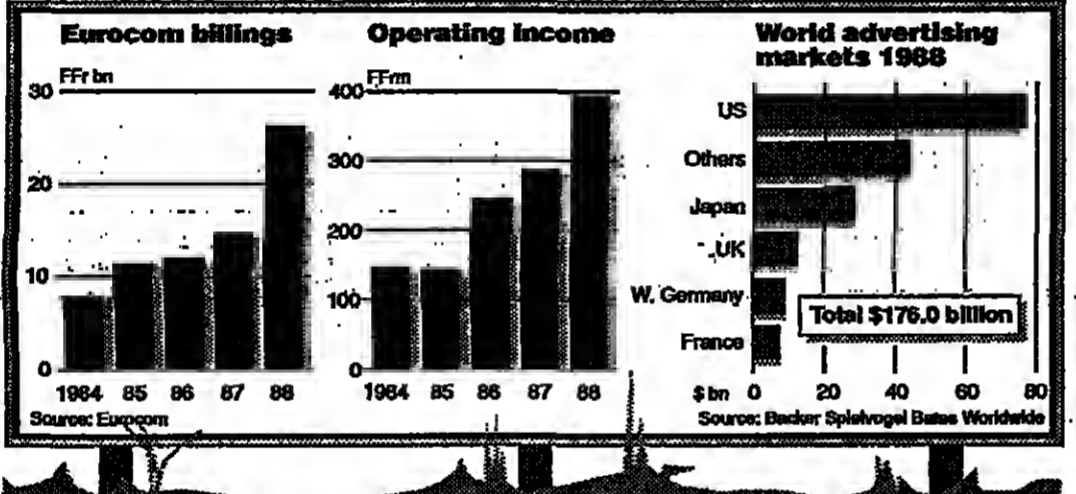
\*Merger between Beecham and SmithKline Beckman

found their way into the BDDP offer for Boase Massimo Politt, the Magnet buy-out bid and, most notably, the two rival £2bn-plus offers for Gateway. However, two increases in UK base rates and some burnt fingers among banking backers of the likes of Magnet and Lowndes Queensway have undoubtedly affected the climate. Some corporate finance executives have talked of leveraged deals being shelved at least temporarily. Even 'Isosceles', the successful Gateway bidder operating in the more stable area of food retailing, was unable to syndicate fully its senior debt package. That said, it is a moot point whether leveraged transactions have ground to a halt or are merely experiencing a lull. At least one large US investment bank suggests that it still sees deals that could be done, but with conservative structures and at the price of a larger cut for the backers in the banks. The second major development affecting Britain's M&A business during 1989 has been the shift in the nationalities of buyers and sellers. A year ago, the UK swoop on North America was still under way, with transatlantic expenditure topping \$90bn. In the first nine months of the current year, Exel estimates that the figure eased back to \$12.2bn, and there has been no final quarter rush. To a limited extent, Europe has taken up the running as a home for UK corporate ambitions. But a more noticeable trend has been the extent to which the UK has now become the target for overseas buyers. Almost £4.4bn-worth of UK assets were snapped up in the first six months, with another £7.2bn-worth changing hands in the July-September period.

French buy-out to be investigated by police

By William Dawkins in Paris

FRANCE'S largest ever management buy-out, the FF7bn (£1.2bn) takeover of Darty, the leading electrical goods retailer, yesterday became the subject of a police investigation, six weeks after being criticised by stock market authorities. The Paris public prosecutor's office has asked the police to investigate whether Darty shareholders were given equal treatment, in the light of a report attacking the conditions of the deal. This report was issued by the prosecutors last month by the Commission des Opérations de Bourse (COB), the stock market regulator. Legal officials said the fresh inquiry should be complete by the end of January, when the prosecutor will decide whether to take legal proceedings against Darty or its advisers for putting out misleading information. Broadcasting deceptive information carries a maximum fine of FF10m. A successful prosecution could also open the way for minority investors - some of whom complained that at the time that the offer price was too low - to sue Darty for damages. The COB's report maintains that powerful institutional investors were offered favourable terms to entice them to take part in the buy-out and that this contravened the principle of free treatment for all shareholders. Darty has strongly denied this.



Viewed from Paris it's an ad ad ad world

Alice Rawsthorn looks at the international aspirations of Eurocom, the leading advertising agency in France

One window looks out to the tower that Gustav Eiffel built 100 years ago to commemorate the centenary of the French Revolution. Another stretches to the Arch at La Defense, one of the grands projets commissioned by the French government to commemorate the bicentenary this summer. Somehow it seems appropriate that the headquarters of Eurocom, the most powerful player in French advertising, should look over the Paris skyline. Eurocom has dominated French advertising for decades, now it plans to become a force in international marketing. A few weeks ago it fulfilled its ambition of controlling a world-wide advertising network by taking a majority holding in the agencies owned by WCRS, the French subsidiary of the US group. It is now finalising the second stage of its strategy to establish a group operating in different marketing disciplines all over the world.

mees WCRS, its US agency. The deal was finalised in October. Eurocom would pay up to \$47.5m to increase its holding in WCRS advertising to 60 per cent. It is in the throes of integrating its own agencies - apart from HDM - into a new network, called Eurocom WCRS. Della Femina Ball, or EWDB. Some analysts suspect that Eurocom made a mistake in opting for WCRS. The WCRS network is the product of a flood of acquisitions in the mid-1980s. The integration of its two US agencies had been troubled with problems and its London agency has suffered a series of account losses and staff departures this year.

Mr de Plas cited the example of Johnson Wax which withdrew its business from B&W to give it to PDB and DDB, the French subsidiaries of two US groups. Mr de Plas, who worked at DDB at the time, said the only reason for moving the account was that Johnson Wax was consolidating its advertising into two international agencies. "All our really big clients now operate worldwide," he said. "If we are to remain strong we must operate internationally." Rather than embark on the long-winded process of building up its own network, or to buy an entirely new business Eurocom took control of one of its existing affiliates.

Mr de Plas is unabashed. He claims there are "a lot of holes" in the EWDB network. Bnt Eurocom already has plans to fill in the holes in Europe. It is also looking at proposals for Japan and might even buy another network. It has been suggested as a contender for the Satchi agencies, should the Satchi group be broken up. The first stage of Eurocom's expansion is now completed. The next stage will be to diversify into other areas of marketing. The group has begun by buying ABC, a West German public relations consultancy, which it will use as a base for expansion in Europe.

WCRS was the easiest option. The UK group had already decided to concentrate on media buying rather than advertising and needed capital to bring down its borrowings and to increase its holding in Carat, the French media buying group. Eurocom had begun discussions with WCRS even before Mr de Ponzilhas and Mr de Plas arrived. The negotiations ground on for months. Eurocom was said to be trying with a string of other candidates. And there were reports of disaffection within WCRS, notably at Della Femina McNa-

It also intends to buy similar bases for expansion into sales promotion, direct marketing and possibly design. Mr de Plas expects to spend FF200m on each of these four networks and a further FF250m in advertising. Eurocom must move swiftly. Most of its competitors, like Young & Rubicam and Ogilvy & Mather of the US, have already established and are now expanding their networks. As Mr de Plas said: "All this should have been done 10 years ago. Alain and I have two years to achieve everything that our competitors have done in 20 years."

GAN of France buys UK insurer

By Patrick Cockburn in London

GROUPES des Assurances Nationales, the French state-controlled insurance company, is to buy General Portfolio Group, the UK life insurer, for an initial £230m. The takeover underlines the current attractiveness of UK insurance companies looking for expansion and to French groups in particular. GAN, France's fifth largest insurance group, said yesterday there would be no change in General Portfolio's management or organisation. Mr Vincent Isaac, chairman, will continue to run the company which he founded in 1964. General Portfolio is a unit-linked life insurer and financial services group with a sales force of 4,000 and 140 branch offices. It has seen new regular premium income grow from £3.3m in 1984-85 to £81.5m in 1988-89, and currently has more than 400,000 policies in force. GAN is the smallest of the three French state-owned insurance groups, with net profits of FF1.85bn (£296m) last year on total premium income of FF2.53bn. So far, it has proved less ready than other French insurers to pay heavily for acquisitions in the rest of Europe. Axa M&I has already bought Equity & Law, an analyst said the takeover of Sun Life by UAF, which owns 25 per cent, to be only a matter of time. Athena, the ninth largest French insurer, has built a significant stake in Refuge. General Portfolio has been looking for a purchaser for at least a year, Mr Isaac said. It had been clear to him since 1988 that General Portfolio's plans were more ambitious than its capital base allowed. A private placing which raised nearly £30m in that year valued the company at only £50m. Commenting on the price paid for General Portfolio, Manufacturers Hanover, the US bank which advised GAN on the deal, said it fully reflected the value of future business anticipated by the UK unit-linked life company. Under the agreement, GAN is to pay shareholders in the unit-linked company 300p for each share initially acquired. The rest will be purchased by stages up to 1999 at prices related to General Portfolio's performance. In addition GAN will subscribe for up to £106m of new shares in General Portfolio in three tranches over the next two years. The first £46m subscription is included in the £230m price.

UK COMPANY NEWS

Anglo disposals continue with £26m sale to BET

By Jean Marshall

ANGLO UNITED, the mining and fuel distribution group, has continued to dispose of assets acquired in its £478m contested takeover of Coalite last July.

Other members of the Anglo group in respect of such borrowings. Over 75 per cent of the consideration relates to Hargreaves, which has a strong market position in the north of England. It employs 240 people and operates two landfill sites, seven collection depots and a liquid waste treatment plant.

The proceeds of the sale will be applied towards further reducing the bridging facility obtained to fund the Coalite bid. Anglo financed its takeover with a £200m short-term loan and a £270m six-year loan, arranged through Samuel Montagu. It hopes to repay the £200m by the end of next year.

Auditors refuse to resign at John Lees

By Nikki Taft

AN UNUSUAL dispute has broken out between John J Lees, the small Scottish confectionery group, and its auditors, Touche Ross, one of Britain's largest firms of accountants.

Shareholders attack Casket board at acrimonious AGM

By Martin Regan

SHAREHOLDERS OF Casket made clear their anger at the Manchester-based textiles-to-furnishings group's poor trading performance at its annual meeting yesterday.

Like to influence Casket's direction, but admitted the problems were greater than expected. The consortium has been given a seat on the board.

Lord Barnett was not amused. "There are bigger disasters than that and the fact we are losing a lot of money is one of them," he said. He announced his intention to step down in what he termed "the long-term interest of the company" and urged shareholders not to judge the board on a single bad year.

City & Westminster £2.74m in the red

Mr Aaron Gershfield, who last month replaced Mr Andrew Greystoke as chief executive of City & Westminster Group, the finance house, yesterday hit out at investment decisions made by the previous management.

British Island Airways completes £20m financial restructuring

BRITISH ISLAND Airways, the troubled charter airline quoted on the Unlisted Securities Market, yesterday announced the completion of a financial restructuring to provide a £20m cash injection, writes Vanessa Houlder.

For some months BIA has been seeking an alliance with a strong partner which would introduce equity capital into the company. These negotiations have, however, been hampered by the company's financial position.

"Following this review, the board has decided that it is in the interest of shareholders that a change in the company's auditors should be made at this stage," it added.

Cookson refinances dollar debt

COOKSON GROUP, the specialist metals and chemicals supplier, is refinancing nearly half of its dollar borrowings through a private placement of \$200m in 15-year and 20-year senior debt with seven leading US insurance companies.

Peek buys US software group

Peek, the international electronic and technology group, has acquired a software company in Florida and disposed of two non-core businesses.

Profits at the operating level were ahead 34 per cent to £1.3m (£978,354).

Pathfinders loses direction

Mr Stephen Worth, chairman of Pathfinders Group, the USM-quoted specialist entertainment and media recruitment agency, yesterday reported a £195,000 fall in taxable profits to £142,000 for the six months to September 30.

This advertisement is issued in compliance with the requirements of the Council of The International Stock Exchange. It does not constitute an invitation to anyone to subscribe for or purchase any shares.

ANALYSIS HOLDINGS Plc

Introduction to THE THIRD MARKET by LAING & CRUICKSHANK. SHARE CAPITAL: Issued and fully paid £8,900,000. Dealings in the Ordinary shares of the Company are expected to commence on The Third Market on Tuesday, 2nd January, 1990.

£3m sale for ICH

International City Holdings, the money and foreign exchange broker which has been in merger talks with York Trust, is selling BAK, its asset finance business, to management for £3m cash.

New strategy bears fruit at Flexello

Benefits of the reorganisation and "new business strategy" at Flexello Castors & Wheels are reflected in the group's results for the year to end-September.

Lookers expands in agricultural market

Lookers, the Manchester-based motor dealer, is to buy Harris Agricultural Group, an agricultural machinery dealer, for £3.1m cash.

TVS waiting on MTM settlement agreement

MR ARTHUR PRICE, former president and chief executive of MTM, the loss-making American television production company, is keeping his old boss Mr James Galtward waiting until the last minute before deciding whether or not to sign a settlement agreement.

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange. Application has been made to the Council of The Stock Exchange for the grant of permission to trade in the Ordinary shares of the Company in The Third Market. It is emphasised that no application has been made for these securities to be admitted to the Official List of The International Stock Exchange or to deal in these securities on the Unlisted Securities Market.

POLYSOURCE HOLDINGS PLC

Incorporated in England - Registered No. 2405581 under the Companies Act 1985. Introduction to The Third Market by T.C. Coombs & Co. of 10,303,710 Ordinary Shares of 5p each. SHARE CAPITAL: Issued £515,185.50. Principal activity of Polysource Holdings PLC is primarily the manufacture of injection moulded plastic products and components.

OMRON TATEISI ELECTRONICS CO.

Notice is hereby given that the shareholders of OMRON TATEISI ELECTRONICS CO. are entitled to receive a dividend of US\$ 100,000,000 on the 31st December 1989.

Fletcher Challenge Financial Services Netherlands B.V. U.S. \$75,000,000 8 per cent. Subordinated Guaranteed Convertible Bonds Due 1998. unconditionally guaranteed on a subordinated basis as to payment of principal and interest by, and with conversion rights into Ordinary Shares of Fletcher Challenge Limited (the "Guarantor").

Ente Nazionale per l'Energia Elettrica U.S. \$300,000,000 Floating Rate Notes Due 2005. Unconditionally guaranteed as to payment of principal and interest by The Republic of Italy. In accordance with the provisions of the Notes, notice is hereby given that the Rate of Interest has been fixed at 8 1/8% for the Interest Determination Period 29th December, 1989 to 29th June, 1990.

Copenhagen Handelsbank A/S (Incorporated in the Kingdom of Denmark with limited liability) U.S. \$100,000,000 Subordinated Floating Rate Notes Due 2000. In accordance with the provisions of the Notes notice is hereby given that for the six months interest period from 29th December, 1989 to 29th June, 1990 the Notes will carry an Interest Rate of 8 1/8% per annum.

Isvemer U.S. \$100,000,000 Floating Rate Participation Certificates Due 1992 issued by Morgan Guaranty GmbH for the purpose of making a loan to Istituto per lo Sviluppo Economico dell'Italia Meridionale. In accordance with the terms and conditions of the Certificates, the rate of interest for the Interest Determination Period 29th December, 1989 to 31st January, 1990 has been fixed at 8 1/8% per annum.

Wells Fargo & Company U.S. \$100,000,000 Subordinated Floating Rate Capital Notes due September 1997. In accordance with the provisions of the Notes, notice is hereby given that for the Interest period 29th December, 1989 to 30th March, 1990 the Notes will carry an Interest Rate of 8 1/4% per annum.

Wells Fargo & Company U.S. \$150,000,000 Floating Rate Subordinated Notes due 1992. In accordance with the provisions of the Notes, notice is hereby given that for the Interest period 29th December, 1989 to 31st January, 1990 the Notes will carry an Interest Rate of 9.075% per annum.

PRIVATE CHARTER ALASKA ONE OF HUNDREDS OF LUXURY YACHTS AVAILABLE WORLDWIDE. TELEPHONE FOR NEW 108 PAGE BROCHURE YACHTING PARTNERS International. Telephone UK - 0273 571722 Fax 0273 571720 France - 33 340100 USA - 1-800-625-0019

BANCO DI ROMA US \$200,000,000 Floating Rate Depositary Receipts due 1989. In accordance with the provisions of the notes, notice is hereby given that for the interest period December 28, 1989 to March 28, 1990 the notes will carry an interest rate of 8 1/2% per annum.

Hill Samuel Bank Limited, 45 Beech Street, London EC2P 2LX. In accordance with the provisions of the Notes, notice is hereby given that for the Interest period 29th December, 1989 to 30th March, 1990 the Notes will carry an Interest Rate of 8 1/4% per annum.

African Development Bank U.S. \$100,000,000 Subordinated Floating Rate Notes due 1996. In accordance with the terms and conditions of the Notes, notice is hereby given that for the Interest Period from December 29, 1989 to June 29, 1990 the Notes will carry an Interest Rate of 8 1/2% per annum for 182 days. The amount payable per U.S. \$10,000 nominal amount will be U.S. \$429.72.

INTERNATIONAL COMPANIES AND FINANCE

Citicorp buys HK\$2.2bn option on Hong Kong HQ

By John Elliott in Hong Kong

CITICORP of the US is to spend up to HK\$2.2bn (US\$282m) on a new regional headquarters in Hong Kong...

considering naming the development Citicorp Centre to help attract other tenants. The site is in a prime location in Garden Road alongside Hong Kong's new Bank of China building...

Great Eagle said yesterday that the company saw the project as a long-term investment and envisaged renting rather than selling the rest of the space.

Campbell Soup family divided over planned sale

By Roderick Oram in New York

THE DEEP split in the family controlling Campbell Soup became public yesterday when three members said an investment group to which they belong wants to sell its 17.3 per cent stake in the giant food company.

Gilts decline as sterling tumbles

By Deborah Hargreaves in London and Karen Zagor in New York

A THIN UK gilts market drifted downwards yesterday as sterling tumbled to a record low against the D-Mark.

BENCHMARK GOVERNMENT BONDS table with columns for Country, Coupon, Bid, Price, Change, Yield, Week, Month.

govt saw the Bank of England's trade-weighted index drop to 85.8 from its previous close of 86.5 in spite of Bank intervention.

In a gilts market still under the influence of the general seasonal torpor, concern about the influence of the general seasonal torpor, concern about the influence of the general seasonal torpor...

increase. But the market remains lethargic. US Treasury bonds traded in a narrow range yesterday morning, with traders unwilling to take risks which could harm their fourth quarter or annual figures.

Creditanstalt to raise dividend

By Heig Simonian in Frankfurt

CREDITANSTALT, Austria's biggest bank, plans to increase its dividend by at least Sch10 a share for 1989 following a year of strong earnings...

Hoechst takes controlling stake in chemicals group

By Heig Simonian in Frankfurt

HOECHST, the West German chemical concern, is taking full control of the German subsidiary manufacturer of specialty chemicals and phosphates...

UK munitions group reveals unexpected loss

By Clare Pearson in London

SEARIS in Astra Holdings tumbled 23p to 70p yesterday after the munitions and fireworks manufacturer announced a pre-tax loss of £2.45m (\$6.5m) for the six months to end-September compared to a £4.05m profit a year earlier.

Issues and trades remain at low levels

By Andrew Freeman in London

ACTIVITY REMAINED AT extremely low levels on the Eurobond market yesterday.

Issues and trades remain at low levels

By Andrew Freeman in London

None was expected to trade actively. Nomura International brought two deals. A ¥15bn three-year issue for Monte Dei Paschi di Siena (London) carried a 6.5 per cent coupon and was priced at 101 1/4 per cent.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

Large table of international bond data with columns for Issuer, Bid, Offer, Yield, etc.

UK munitions group reveals unexpected loss

By Clare Pearson in London

The interim announcement, two or three weeks earlier than expected, was described by one City analyst yesterday as "totally unexpected both in timing and content."

Italex Limited advertisement for U.S. \$230,000,000 Unsecured Floating Rate Notes due 1989 to 1992.

CFX Credit for Exports PLC advertisement for U.S. \$155,000,000 Unsecured Floating Rate Notes due 1985 to 1992.

CITICORP advertisement for U.S. \$500,000,000 Subordinated Floating Rate Notes Due January 30, 1998.

CITICORP advertisement for U.S. \$350,000,000 Subordinated Floating Rate Notes Due November 27, 2035.

MOTOR CAR ADVERTISING advertisement for JOCELYN HUNTER.

Anglia Building Society advertisement for £150,000,000 Floating Rate Notes 1996.

Crédit Lyonnais advertisement for U.S. \$250,000,000 Subordinated Floating Rate Notes Due December 1999.

Comerica Incorporated advertisement for Floating Rate Subordinated Capital Notes Due 1997.

Crédit Suisse First Boston Limited advertisement for U.S. \$150,000,000 Floating Rate Notes.

BRISTOL & WEST BUILDING SOCIETY advertisement for Floating Rate Notes Due 1993.

Small text at the bottom left providing additional details and disclaimers for the bond service.

Small text at the bottom middle providing details for the motor car advertising.

Small text at the bottom right providing details for the motor car advertising.

LONDON MARKET STATISTICS

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table with columns: EQUITY GROUPS & SUB-SECTIONS, Thursday December 28 1995, Wed Dec 27, Fri Dec 22, The Dec 21, Year ago (approx). Lists various industry groups like CAPITA, BUILDING, CONTRACTING, etc.

RISES AND FALLS YESTERDAY

Table showing Rises and Falls for various categories: British Funds, Financial and Property, Industrials, etc.

LONDON RECENT ISSUES

Table with columns: Issue Price, Amount, Latest, 1995, Stock, Closing Price. Lists various financial issues like British Airways, British Telecom, etc.

FIXED INTEREST STOCKS

Table with columns: Issue Price, Amount, Latest, 1995, Stock, Closing Price. Lists fixed interest stocks like British Government, etc.

RIGHTS OFFERS

Table with columns: Issue Price, Amount, Latest, 1995, Stock, Closing Price. Lists rights offers for various companies.

TRADITIONAL OPTIONS

Table with columns: First Dealings, Last Dealings, Last Declarations, For settlement. Lists dates for various options.

LONDON TRADED OPTIONS

ACTIVITY picked up slightly on the London Traded Options Market yesterday as traders rushed to close positions in the FT-SE 100 index option ahead of the option's expiration at 11.20am today.

Interest in individual stock options was light as the market remained seasonally thin. Ferranti was the most active stock option with its trading level of 1,102 lots.

Table with columns: CALLS, PUTS, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec. Lists option trading data for various stocks.

Table with columns: CALLS, PUTS, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec. Lists option trading data for various stocks.

which 654 were call options and 36 were put options. The busiest series was the May 90 call.

Table with columns: CALLS, PUTS, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec. Lists option trading data for various stocks.

FIXED INTEREST

Table with columns: PRICE INDICES, Thu Dec 28, Day's change, Wed Dec 27, etc. Lists various price indices.

AVERAGE GROSS REDEMPTION YIELDS

Table with columns: British Government, 5 years, 10 years, etc. Lists average gross redemption yields for various terms.

Index 2404.91, 1m 2408.63, 3m 2407.11, 6m 2402.32, 9m 2400.8, 12m 2396.5, 15m 2392.2, 18m 2387.9, 21m 2383.6, 24m 2379.3, 27m 2375.0, 30m 2370.7, 33m 2366.4, 36m 2362.1, 39m 2357.8, 42m 2353.5, 45m 2349.2, 48m 2344.9, 51m 2340.6, 54m 2336.3, 57m 2332.0, 60m 2327.7, 63m 2323.4, 66m 2319.1, 69m 2314.8, 72m 2310.5, 75m 2306.2, 78m 2301.9, 81m 2297.6, 84m 2293.3, 87m 2289.0, 90m 2284.7, 93m 2280.4, 96m 2276.1, 99m 2271.8, FT-SE 100 SHARE INDEX 2398.6, Day's change +3.0, 2411.6, 2396.2, 2395.4, 2342.8, 2353.1, 2344.7, 2342.1, 2403.4

WORLD COMMODITIES PRICES

LONDON MARKETS

GOLD was fixed in London yesterday afternoon at \$388.80 an ounce - the first time for five weeks that the fix has been below \$400.

Table with columns: COCOA - London FOB, CASH, etc. Lists commodity prices for cocoa, copper, etc.

Table with columns: LONDON METAL EXCHANGE, ALUMINIUM, COPPER, etc. Lists commodity prices for metals.

US MARKETS

IN THE METALS, gold, silver and platinum prices continued to slide, reports Drexel Burnham Lambert.

Table with columns: HIGH GRADE COPPER 25,000 lbs, SOYABEAN 5,000 bu, etc. Lists commodity prices for copper, soybeans, etc.

Table with columns: SOYABEAN 5,000 bu, SOYABEAN OIL 60,000 lbs, etc. Lists commodity prices for soybeans and oil.

SPOT MARKETS

Table with columns: DUBAI, BRENT BLEND, W.T.I., etc. Lists spot market prices for oil.

SUGAR - London FOB

Table with columns: Raw, White, etc. Lists sugar prices.

POTATOES - BSE

Table with columns: Close, Previous, High/Low. Lists potato prices.

NEW YORK

Table with columns: GOLD 100 troy oz, SILVER 50 troy oz, etc. Lists New York market prices.

COCOA 10 tonnes/tonnes

Table with columns: Close, Previous, High/Low. Lists cocoa prices.

MAIZE 5,000 bu

Table with columns: Close, Previous, High/Low. Lists maize prices.

CRUDE OIL - SFE

Table with columns: Close, Previous, High/Low. Lists crude oil prices.

GRAIN - SFE

Table with columns: Close, Previous, High/Low. Lists grain prices.

TRADED OPTIONS

Table with columns: Strike price, Call, Put, etc. Lists traded options data.

SILVER 5,000 troy oz

Table with columns: Close, Previous, High/Low. Lists silver prices.

COFFEE 50,000 lbs

Table with columns: Close, Previous, High/Low. Lists coffee prices.

WHEAT 5,000 bu

Table with columns: Close, Previous, High/Low. Lists wheat prices.

2 a tonne unless otherwise stated, p-pence/kg, c-cents/kg, r-rings/kg, y-oz, z-Dec/Jan, J-Jan/Feb, v-Jan/Mar, w-Jan/Most Commission, average tobacco prices, \* change from a week ago, † London physical market, ‡ C&F Rotterdam, † Bullion market close, m-Atkinson cents/kg.

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LONDON STOCK EXCHANGE

Cautious ahead of the trade figures

THE UK stock market's bid to follow other global markets to finish the year in bullish vein was checked late yesterday by caution ahead of this morning's announcement of the latest domestic trade figures and for a subdued opening on Wall Street. Earlier, however, equities had pushed confidently above the FT-SE 2400 mark in turnover boosted by year-end tax structuring deals as well as by further window-dressing operations by fund managers.

The renewed weakness in sterling in the face of a strong German mark - and despite Bank of England intervention - reinforced the arguments in favour of the blue chip export

stocks in the FT-SE 100 list, which take an estimated 45 per cent of profits from overseas. The optimism over potential improvement and export benefits from the dramatic developments in eastern Europe, already reflected in the strong German equity market, continued to excite market strate-

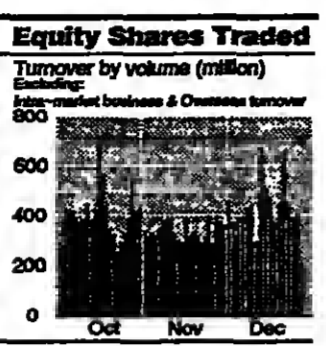
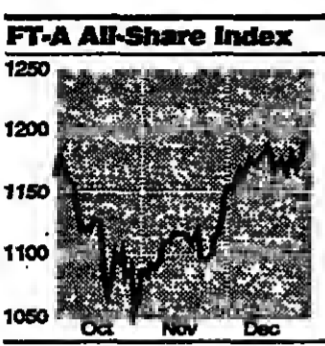
gists, and brought further support for building and construction issues. Meanwhile, domestic stocks were brightened by the persistent strength of the recently-privatised water issue shares, which now offer potential yields of 5pc compared with about 4.25pc across the full range of the London stock market.

Equities opened confidently, with the initial upswing taking the FT-SE Index comfortably above 2,400 to show a gain of 16 points at 2,411.8 by mid-morning. At this point, only 15 points under the year's high, investors backed off a little as they assessed the prospects for the November trade figures.

FINANCIAL TIMES STOCK INDICES. Table with columns for Dec 28, Dec 27, Dec 26, Dec 25, Dec 24, Dec 23, Dec 22, Dec 21, Dec 20, Dec 19, Dec 18, Dec 17, Dec 16, Dec 15, Dec 14, Dec 13, Dec 12, Dec 11, Dec 10, Dec 9, Dec 8, Dec 7, Dec 6, Dec 5, Dec 4, Dec 3, Dec 2, Dec 1. Rows include Government Securities, Fixed Interest, Ordinary Shares, and FT-SE 100 Share.

Gas in demand again

British Gas outstripped the rest of the oil sector to close just 6 below its all time high set in July 1987. The shares have for several days been buoyed by a strong crude oil price, but yesterday analysts and dealers were united in ascribing the latest improvement to institutional demand for water stocks.



UK institutions put in a rare appearance as buyers of Bakers. The US interest continued to support the combination of water stocks as a high yielding utility, said Mr Keith Morris of the oils team at Kitcat & Aitken. "As the water shares advance, Gas looks progressively cheaper."

Among the domestic banking names, Barclays (564p), Lloyds (447p), Midland (397p) and Natwest (340p) were barely changed at the close, having abandoned earlier gains. TSB, still the least favoured share in this area, slipped 3 to 129p.

Trading volumes, while unremarkable by non-holiday standards, showed a significant increase on the previous day's totals. Turnover in Barclays was almost tripled at 2.8m, and Midland (1.8m) showed a gain of similar proportions.

Next month brings the opening of the banking profits reporting season, when the investment funds will expect to see evidence supporting the view that the outlook for banking dividends is good, or at least better than for 1990 payments from some UK industrial companies.

Interest in the insurance sector also remained fairly high, with marketmakers anxious not to be caught short of stock in a sector now regarded as prime takeover country in the new year. Speculative interest was fuelled by the moves to liberalise Europe's insurance market agreed last week by the EC internal market ministers.

The US financial industry is now thought to regard UK acquisitions as a possible cheap entry into the post-1992

Carlton falls

The only double figure loss in the FT-SE 100 was suffered by Carlton Communications. It dropped below 23, closing a net 19 off at 792p. One analyst explained that Walt Disney's share price in the US had suffered in recent days as its Christmas films turned out not to be the blockbusters hoped for.

NEW HIGHS AND LOWS FOR 1989

Table listing new highs and lows for 1989 across various sectors like Chemicals, Electronics, and Property.

Board posts at Ellis & Everard

Mr Des McDonald, managing director of Euro Chem, Dublin, has joined the UK board of ELLIS & EVERARD to represent the group's Irish interests, which now includes Alfred Cotter in Belfast, and Chemplus in Limerick.

Mr Paul Scherer, managing director and chief executive of Transworld Publishers, has been elected vice president of THE PUBLISHERS ASSOCIATION. He takes office at the annual meeting on April 26, and will automatically succeed to the presidency for two years in 1991.

Mr Roger Morgan has been appointed managing director of IMPETUS PACKAGING, Co. Wick. He was with Lignac Plastic Mouldings, Impetus was formed last year by the merger of the PET bottle interests of Lawson Mardon Group and MB Group.

Mr John Handley (above) has been appointed operations director of OYVESSEAL FOODS, supplier of natural food colourants, and part of the REIM Group. He is responsible for managing operational strategy in addition to co-ordinating sales and marketing functions.

CONTRACTS

Water problems on the Rock

The export of drinking water to Gibraltar has helped NORTHUMBRIAN WATER to win an engineering consultancy contract from the public works department of the Gibraltar Government. The order is to design and supervise the building of a sea water pumping station. In Gibraltar there are two water distribution systems. One carries drinking water, which is in short supply, while the other carries salt water, which is used for fire-fighting and sanitation. The

new pumping station, to be built at North Mole, will replace one nearby which is subject to operational problems, principally poor access to the main plant and the sea water intake. At the new location, sea water will be drawn from an area not obstructed by existing or proposed developments. Automatic control will be a feature of the new station. Northumbrian Water has been supplying drinking water from Teesport to the Rock since 1983.

Wrapping steel coils in Korea

THE BRONX ENGINEERING CO, Lys, West Midlands, part of the Veron International Group, has a contract worth over £2m to supply The Pohang Iron and Steel Co, South Korea, with three coil automatic transportation and packaging lines for wrapping steel coils to prevent damage during shipment. The lines,

over 60 metres long, have different capacities. The first, to be delivered late next year, will package 26 tonne coils at 15/hr; the second is a high speed line wrapping 26 tonne coils at 30/hr while the third will handle 26 tonne coils at 15/hr. The second and third lines will be installed in the latter part of 1991.

WEST ELECTRONICS, part of James Yorke (Holdings), has won a £6m telecommunications contract to supply Dalmia Industries of India with transfer of message switch technology to operate on the Indian telnet network.

JOHN BROWN plastics machinery companies have been awarded a US\$5m contract for extrusion, thermoforming, reclamation and material handling equipment at the Kuskovsky Chemical Plant in Moscow, USSR. The deal was developed to meet the Kuskovsky Plant's needs for extruded polypropylene sheet and thermoformed containers and lids.

MCL has won orders worth over £1.4m from three Polish banks. They are from Bank PRO BP, Bank PKO SA, and Wislupolski Bank Kredytowy (WBR). All three are for DRS 300 microcomputers, together with banking software.

DAVIS AND METCALFE has an order for 26 vehicle sets of electronic brake control equipment, and hydrovac compressors, together with ancillary apparatus, from GEC Alsthom Transportation Projects, part of the GMA Group. The contract value for this first phase is over £400,000, and delivery is from June 1990 to January 1991.

The Prudential Insurance Company of America. U.S. \$500,000,000. Collateralized Mortgage Obligations Series 1986-1. For the period 27th December, 1989 to 25th January, 1990 the Bonds will carry an interest rate of 9.2% per annum with an interest amount of U.S. \$168.12 per U.S. \$50,000 (the original Principal Amount) Bond, payable on 25th January, 1990.

BankAmerica Corporation. U.S. \$400,000,000. Floating Rate Subordinated Capital Notes Due 1996. BankAmerica Overseas Finance Corporation N.V. Interest Rate 8 1/4% per annum. Interest Payment Date 30th March 1990. Interest Amount per U.S. \$50,000 Note U.S. \$1,028.00.

AMERICAN EXPRESS BANK. U.S. \$100,000,000. Floating Rate Subordinated Capital Notes Due 1997. Notice is hereby given that the Rate of Interest has been fixed at 8.6275% and that the interest payable in respect of U.S. \$100,000 nominal amount of Notes for the period December 29, 1989 to March 30, 1990 will be US\$219.20.

CREDIOP. U.S. \$150,000,000 Floating Rate Participation Notes Due 1993. Notice is hereby given that the interest payable on the relevant interest Payment Date, January 31, 1990, for the period July 31, 1989 to January 31, 1990, against Coupon No 9 in respect of U.S. \$10,000 nominal of the Notes will be U.S. \$452.82 and in respect of U.S. \$250,000 nominal of the Notes will be U.S. \$1,320.33.

CITICORP. U.S. \$500,000,000. Subordinated Floating Rate Notes Due October 25, 2005. Notice is hereby given that the Rate of Interest has been fixed at 9.0375% and that the interest payable on the relevant interest Payment Date January 31, 1990 against Coupon No. 51 in respect of US\$1,000 nominal of the Notes will be US\$28.84.

GZ BANK. U.S. \$75,000,000. Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft. Floating Rate Subordinated Notes Due 1991. Interest Rate 8 1/4% per annum. Interest Period 29th December 1989 to 30th March 1990. Interest Amount per U.S. \$1,000 Note due 30th March 1990 U.S. \$22.28.

CONTINENTAL ILLINOIS OVERSEAS FINANCE CORPORATION N.V. U.S. \$200,000,000. GUARANTEED FLOATING RATE SUBORDINATED NOTES DUE 1994. Guaranteed on a Subordinated basis by Continental Illinois Corporation. In accordance with the provisions of the Notes and the Reference Agency Agreement between Continental Illinois Overseas Finance Corporation N.V. and Citibank, N.A. dated June 24, 1982, notice is hereby given that the Rate of Interest has been fixed at 8.75% p.a. and that the interest payable on the relevant interest Payment Date March 30, 1990 against Coupon No. 31 will be U.S. \$221.18 in respect of U.S. \$10,000 nominal amount of the Notes.

DEFENCE. The Financial Times proposes to publish this survey on 17th January 1990. For a full editorial synopsis and advertisement details, please contact: Ian Ely-Corbett on 01-873 3389 or write to him at: Number One Southwark Bridge London SE1 9HL.

Wells Fargo & Company. U.S. \$200,000,000. Floating Rate Subordinated Notes due 2000. In accordance with the provisions of the Notes, notice is hereby given that for the interest period 29th December, 1989 to 31st January, 1990 the Notes will carry an interest Rate of 9 1/4% per annum. Interest payable on the relevant interest payment date 31st January, 1990 will amount to US\$83.07 per US\$100,000 Note and US\$41.54 per US\$50,000 Note.

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-499-8748

AUTHORISED UNIT TRUSTS

Abbey Unit Trust Managers (C2000H)

Table listing various unit trusts under Abbey Unit Trust Managers, including details like name, type, and price.

Table listing various unit trusts under Abbey Unit Trust Managers, including details like name, type, and price.

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GUIDE TO UNIT TRUST PRICING. Includes text explaining how unit prices are calculated, the role of the trustee, and how to interpret the data presented in the tables.

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FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

Main table containing unit trust information, organized into columns for various categories like 'OTHER UK UNIT TRUSTS', 'INSURANCES', and 'UNIT TRUSTS'. Each entry includes the name of the trust, its price, and other relevant details.

INSURANCES section, listing various insurance policies and their details.

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline, help desk on 01-882-0398

Main table containing unit trust information with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections for Offshore and Overseas, and Guernsey (ISB Recognised).

OFFSHORE AND OVERSEAS

GUERNSEY (ISB RECOGNISED)

MANAGEMENT SERVICES

ION (ISB RECOGNISED)

SWITZERLAND (ISB RECOGNISED)

CANADA (ISB RECOGNISED)

GUERNSEY (\*)

LUXEMBOURG (ISB RECOGNISED)

JERSEY (ISB RECOGNISED)

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FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

Table of FT Unit Trust Information Service, listing various unit trusts with columns for Name, Price, Yield, and other financial metrics.

Table of London Share Service, including sections for British Funds, Loans, Foreign Bonds & Rails, and Money Market Bank Accounts, with columns for Name, Price, Yield, and other financial metrics.

LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-422-7128

AMERICANS - Contd

Table listing American companies such as Amstar, Amstar Corp, Amstar Fibers, etc., with columns for company name, price, and other financial data.

CANADIANS

Table listing Canadian companies such as Alcan, Alcan Aluminum, Alcan Canada, etc., with columns for company name, price, and other financial data.

BANKS, HP & LEASING

Table listing financial institutions and leasing companies such as Bank of Montreal, Bank of New York, etc., with columns for company name, price, and other financial data.

BEERS, WINES & SPIRITS

Table listing beverage companies such as Anheuser-Busch, Carlsberg, etc., with columns for company name, price, and other financial data.

BUILDING, TIMBER, ROADS

Table listing construction and infrastructure companies such as Bechtel, Bovis Lend Lease, etc., with columns for company name, price, and other financial data.

BUILDING, TIMBER, ROADS - Contd

Continuation of the Building, Timber, Roads section listing companies like Bovis Lend Lease, etc.

ELECTRICALS

Table listing electrical companies such as British Energy, etc., with columns for company name, price, and other financial data.

CHEMICALS, PLASTICS

Table listing chemical and plastic companies such as ICI, etc., with columns for company name, price, and other financial data.

DRAPERY AND STORES

Table listing drapery and retail companies such as Debenhams, etc., with columns for company name, price, and other financial data.

ENGINEERING

Table listing engineering companies such as Balfour Beatty, etc., with columns for company name, price, and other financial data.

DRAPERY AND STORES - Contd

Continuation of the Drapery and Stores section listing companies like Debenhams, etc.

ELECTRICALS

Continuation of the Electricals section listing companies like British Energy, etc.

CHEMICALS, PLASTICS

Continuation of the Chemicals, Plastics section listing companies like ICI, etc.

DRAPERY AND STORES

Continuation of the Drapery and Stores section listing companies like Debenhams, etc.

ENGINEERING

Continuation of the Engineering section listing companies like Balfour Beatty, etc.

ENGINEERING - Contd

Continuation of the Engineering section listing companies like Balfour Beatty, etc.

ENGINEERING - Contd

Continuation of the Engineering section listing companies like Balfour Beatty, etc.

FOOD, GROCERIES, ETC

Table listing food and grocery companies such as Borden, etc., with columns for company name, price, and other financial data.

HOTELS AND CATERERS

Table listing hotel and catering companies such as Whitbread, etc., with columns for company name, price, and other financial data.

INDUSTRIALS (Miscel.)

Table listing various industrial companies such as BHP, etc., with columns for company name, price, and other financial data.

INDUSTRIALS (Miscel.) - Contd

Continuation of the Industrials (Miscel.) section listing companies like BHP, etc.

INDUSTRIALS (Miscel.) - Contd

Continuation of the Industrials (Miscel.) section listing companies like BHP, etc.

INDUSTRIALS (Miscel.) - Contd

Continuation of the Industrials (Miscel.) section listing companies like BHP, etc.

INDUSTRIALS (Miscel.) - Contd

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INDUSTRIALS (Miscel.) - Contd

Continuation of the Industrials (Miscel.) section listing companies like BHP, etc.

INDUSTRIALS (Miscel.) - Contd

Continuation of the Industrials (Miscel.) section listing companies like BHP, etc.

INDUSTRIALS (Miscel.) - Contd

Continuation of the Industrials (Miscel.) section listing companies like BHP, etc.

INSURANCES

Table listing insurance companies such as Aviva, etc., with columns for company name, price, and other financial data.

Handwritten text at the bottom of the page: "مركز الدراسات والبحوث"

LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-825-2128

LEISURE table with columns for Stock, Price, %Ch, and %YTD. Includes companies like Leisure Group, Leisure World, etc.

PAPER, PRINTING, ADVERTISING - Contd table with columns for Stock, Price, %Ch, and %YTD. Includes companies like Newsprint, Advertising, etc.

PROPERTY table with columns for Stock, Price, %Ch, and %YTD. Includes companies like Property Development, etc.

TRANSPORT table with columns for Stock, Price, %Ch, and %YTD. Includes companies like Transport, etc.

TRUSTS, FINANCE, LAND - Contd table with columns for Stock, Price, %Ch, and %YTD. Includes companies like Trusts, Finance, Land, etc.

OIL AND GAS - Contd table with columns for Stock, Price, %Ch, and %YTD. Includes companies like Oil, Gas, etc.

MOTORS, AIRCRAFT TRADES table with columns for Stock, Price, %Ch, and %YTD. Includes companies like Motors, Aircraft, etc.

TRUSTS, FINANCE, LAND table with columns for Stock, Price, %Ch, and %YTD. Includes companies like Trusts, Finance, Land, etc.

TRUSTS, FINANCE, LAND table with columns for Stock, Price, %Ch, and %YTD. Includes companies like Trusts, Finance, Land, etc.

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TRUSTS, FINANCE, LAND table with columns for Stock, Price, %Ch, and %YTD. Includes companies like Trusts, Finance, Land, etc.

NEWSPAPERS, PUBLISHERS table with columns for Stock, Price, %Ch, and %YTD. Includes companies like Newspapers, Publishers, etc.

SHOES AND LEATHER table with columns for Stock, Price, %Ch, and %YTD. Includes companies like Shoes, Leather, etc.

SOUTH AFRICANS table with columns for Stock, Price, %Ch, and %YTD. Includes companies like South Africans, etc.

TEXTILES table with columns for Stock, Price, %Ch, and %YTD. Includes companies like Textiles, etc.

TOBACCO table with columns for Stock, Price, %Ch, and %YTD. Includes companies like Tobacco, etc.

TOBACCO table with columns for Stock, Price, %Ch, and %YTD. Includes companies like Tobacco, etc.

PAPER, PRINTING, ADVERTISING table with columns for Stock, Price, %Ch, and %YTD. Includes companies like Paper, Printing, Advertising, etc.

SHOES AND LEATHER table with columns for Stock, Price, %Ch, and %YTD. Includes companies like Shoes, Leather, etc.

SOUTH AFRICANS table with columns for Stock, Price, %Ch, and %YTD. Includes companies like South Africans, etc.

TEXTILES table with columns for Stock, Price, %Ch, and %YTD. Includes companies like Textiles, etc.

TOBACCO table with columns for Stock, Price, %Ch, and %YTD. Includes companies like Tobacco, etc.

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Stock Exchange closing classifications are indicated to the right of security names in Alpha, Beta, Gamma, Delta, Epsilon, Zeta, Eta, Theta, Iota, Kappa, Lambda, Mu, Nu, Xi, Omicron, Pi, Rho, Sigma, Tau, Upsilon, Phi, Chi, Psi, Omega. This service is available to every company listed on the Stock Exchange throughout the year at a fee of £295 per annum for each security.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

D-Mark continues to advance

The D-Mark's advance continued yesterday, pushing sterling and the Italian lira to record lows...

but was unchanged at Y261.00. According to the Bank of England sterling's index fell 0.8 to 86.7.

Sterling was fixed at a record low of DM2.7230 in Frankfurt and the Swiss franc was set at DM1.0995, the lowest level since May 1981.

The pound lost ground generally, but finished above the day's lows after intervention by the Bank of England...

1987, and later in London advanced to Y261.00. Strong end-of-year demand for money pushed up short term interest rates...

In New York the Federal Reserve added liquidity to the banking system, via five-day system repurchase agreements...

Table with columns: Dec 28, Short term, 7 Days, One month, Three months, Six months, One year. Rows include Sterling, US Dollar, Swiss Franc, etc.

EURO-CURRENCY INTEREST RATES

Table with columns: Dec 28, Short term, 7 Days, One month, Three months, Six months, One year. Rows include Sterling, US Dollar, Swiss Franc, etc.

STERLING INDEX

Table with columns: Dec 28, Last, Previous. Rows include 3.00, 4.00, 5.00, 6.00, 7.00, 8.00, 9.00, 10.00, 11.00, 12.00, 13.00, 14.00, 15.00, 16.00, 17.00, 18.00, 19.00, 20.00, 21.00, 22.00, 23.00, 24.00, 25.00, 26.00, 27.00, 28.00, 29.00, 30.00.

CURRENCY RATES

Table with columns: Dec 28, Bank, Special, European. Rows include Sterling, US Dollar, Canadian Dollar, etc.

CURRENCY MOVEMENTS

Table with columns: Dec 28, Bank of England, Monetary. Rows include Sterling, US Dollar, Canadian Dollar, etc.

OTHER CURRENCIES

Table with columns: Dec 28, £, \$, DM, Yen, Ffr, Sfr, Hfl, Lira, C\$, B\$. Rows include Argentina, Australia, Brazil, etc.

EXCHANGE CROSS RATES

Table with columns: Dec 28, £, \$, DM, Yen, Ffr, Sfr, Hfl, Lira, C\$, B\$. Rows include £/\$, £/DM, £/Yen, etc.

FINANCIAL FUTURES AND OPTIONS

LIFFE LONG GULY FUTURES OPTIONS

Table with columns: Strike, Call-Settlement, Put-Settlement. Rows include 88, 89, 90, 91, 92, 93, 94, 95.

LIFFE US TREASURY BOND FUTURES OPTIONS

Table with columns: Strike, Call-Settlement, Put-Settlement. Rows include 88, 89, 90, 91, 92, 93, 94, 95.

LIFFE BOND FUTURES OPTIONS

Table with columns: Strike, Call-Settlement, Put-Settlement. Rows include 88, 89, 90, 91, 92, 93, 94, 95.

LIFFE EURO-DOLLAR OPTIONS

Table with columns: Strike, Call-Settlement, Put-Settlement. Rows include 88, 89, 90, 91, 92, 93, 94, 95.

LIFFE EURO-DOLLAR OPTIONS

Table with columns: Strike, Call-Settlement, Put-Settlement. Rows include 88, 89, 90, 91, 92, 93, 94, 95.

LIFFE SHORT STIRLING OPTIONS

Table with columns: Strike, Call-Settlement, Put-Settlement. Rows include 88, 89, 90, 91, 92, 93, 94, 95.

CHICAGO

Table with columns: Dec 28, Last, High, Low, Prev. Rows include US Treasury Bonds, etc.

JAPANESE YEN BOND

Table with columns: Dec 28, Last, High, Low, Prev. Rows include 100, 101, 102, 103, 104, 105.

DEUTSCHE MARK BOND

Table with columns: Dec 28, Last, High, Low, Prev. Rows include 100, 101, 102, 103, 104, 105.

STANDARD & POORS 500 INDEX

Table with columns: Dec 28, Last, High, Low, Prev. Rows include 100, 101, 102, 103, 104, 105.

THREE-MONTH EURO-DOLLAR

Table with columns: Dec 28, Last, High, Low, Prev. Rows include 100, 101, 102, 103, 104, 105.

4% NATIONAL GERMAN BOND

Table with columns: Dec 28, Last, High, Low, Prev. Rows include 100, 101, 102, 103, 104, 105.

PHILADELPHIA 10-YEAR BOND

Table with columns: Dec 28, Last, High, Low, Prev. Rows include 100, 101, 102, 103, 104, 105.

STANDARD & POORS 500 INDEX

Table with columns: Dec 28, Last, High, Low, Prev. Rows include 100, 101, 102, 103, 104, 105.

4% NATIONAL GERMAN BOND

Table with columns: Dec 28, Last, High, Low, Prev. Rows include 100, 101, 102, 103, 104, 105.

EUROPEAN OPTIONS EXCHANGE

Table with columns: Series, Feb 90, May 90, Aug 90, Stock. Rows include GDM, GDF, GDE, etc.

THREE MONTH EURO-DOLLAR

Table with columns: Dec 28, Last, High, Low, Prev. Rows include 100, 101, 102, 103, 104, 105.

4% NATIONAL GERMAN BOND

Table with columns: Dec 28, Last, High, Low, Prev. Rows include 100, 101, 102, 103, 104, 105.

MONEY MARKETS

German credit tight

CALL MONEY stabilised at 8.00 per cent in Frankfurt yesterday, after the West German Bundesbank added liquidity to the banking system...

In London three-month interbank rose slightly to 15 1/2 per cent from 15 1/4 per cent, and longer rates also firmed on sterling's weakness.

UK clearing bank base lending rate

15 per cent from October 5

however, to overcome tight credit conditions caused by demand for funds to meet end of month and end of year commitments...

FT LONDON INTERBANK FIXING

Table with columns: Dec 28, 3 months US dollars, 6 months US dollars. Rows include 100, 101, 102, 103, 104, 105.

MONEY RATES

Table with columns: Dec 28, One month, Two months, Three months, Six months, Lending rate. Rows include 100, 101, 102, 103, 104, 105.

BASE LENDING RATES

Table with columns: Bank, Rate. Rows include ABB Bank, Adair & Company, Allied Irish Bank, etc.

LONDON MONEY RATES

Table with columns: Dec 28, Overnight, 7 days, One month, Three months, Six months, One year. Rows include 100, 101, 102, 103, 104, 105.

FT LONDON INTERBANK FIXING

Table with columns: Dec 28, 3 months US dollars, 6 months US dollars. Rows include 100, 101, 102, 103, 104, 105.

MONEY RATES

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BASE LENDING RATES

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LONDON MONEY RATES

Table with columns: Dec 28, Overnight, 7 days, One month, Three months, Six months, One year. Rows include 100, 101, 102, 103, 104, 105.

GRANVILLE SPONSORED SECURITIES. Table listing various securities with columns: High, Low, Company, Price, Change, Dividend, Yield.

FT-SE 100 Where next? Call for our current views. Includes contact information for FT-SE 100.

GROWTH INDUSTRIES IN THE THAMES VALLEY. The Financial Times proposes to publish a Survey on the above on 16TH FEBRUARY 1990.

RACHEL FIDDIMORE on 01-873 4152 or write to her at: Number One, Southwark Bridge London SE1 9HL.

JOTTER PAD. A small advertisement for a notepad.

CROSSWORD No.7,125 Set by GRIFFIN. Includes a crossword puzzle grid.

ACROSS 1 Exceedingly mean hospital over-seer (14). 2 Eccentric turned out to be uneducated (9). 3 Met topsie girl, which put one out (6). 4 I'm climbing up to study drivers' helper races round for pamphlet (5). 5 Infamous, corrupt or not, I love America (5).

DOWN 1 During broadcast intelligent person becomes disorganised (14). 2 Downed (5). 3 Met topsie girl, which put one out (6). 4 I'm climbing up to study drivers' helper races round for pamphlet (5). 5 Infamous, corrupt or not, I love America (5).

HOLIDAYS and TRAVEL advertising appears every Saturday in the WEEKEND FT. To place your advertisement please telephone JESSICA PERRY 01-407 5756, STEPHANIE SPATT 01-407 5750, LOURDEZ BELLIS 01-407 5752.



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WORLD STOCK MARKETS

Table of stock market data for various countries including Australia, France, Germany, Italy, Sweden, and Switzerland. Columns include stock names, prices, and changes.

Table of stock market data for Japan, listing various companies and their stock prices.

Table of stock market data for Canada, including Toronto and Montreal markets.

Table of financial indices including Dow Jones, Standard and Poor's, and various regional indices.

Table of trading activity for New York active stocks.

Table of stock market data for Australia.

Table of stock market data for Hong Kong.

Table of stock market data for Singapore.

Advertisement for 'Travelling by air on business?' featuring a map of the world and listing major cities served by airlines.

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Main table containing stock prices, organized into columns with headers like '12 Month High', 'Low', 'Close', 'Prev. Close', and 'Change'. Includes various stock symbols and their corresponding market data.

Microwave Ovens Easy to use Reasonable to buy... Video Audio Home Appliances SAMSUNG Electronics

Handwritten text at the bottom center of the page.

NYSE COMPOSITE PRICES

Table of NYSE Composite Prices listing various stocks with columns for 52-week high/low, stock name, price, and change.

AMEX COMPOSITE PRICES

Table of AMEX Composite Prices listing various stocks with columns for 52-week high/low, stock name, price, and change.

NASDAQ NATIONAL MARKET

2pm price December 29

Table of NASDAQ National Market listing various stocks with columns for 52-week high/low, stock name, price, and change.

Handwritten text at the top of the page: 'Handwritten text in Arabic script'.

Notes and footnotes regarding the data, including information about 52-week high/low prices and dividend information.

Advertisement for VIENNA, featuring the text 'Have your F.T. hand delivered... at no extra charge, if you work in the business centre of VIENNA' and contact information for Peter Grün of Morawa & Co.

AMERICA

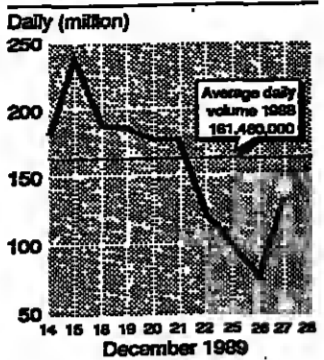
Dow sticks in a narrow range as volume shrinks

Wall Street

LASSITUDE characterised yesterday morning's stock market, with equities trading in a very tight range in low volumes before the new year weekend...

stock market. The Germany Fund jumped \$2 to \$194, though the fund's managers said that they felt the high prices were exaggerated...

NYSE volume



Fund was up 1/4 at \$14. Campbell Soup rose 3/4 to \$58 after members of the Dorrance family, which holds a controlling stake in the company...

EUROPE

Jubilant West Germany spreads seasonal cheer

SEVERAL European houses had their final trading day of 1989 yesterday, and the mood was suitably festive as the jubilation in West Germany spread further afield...

DM454, although most other stocks in the sector eased on profit-taking. Deutsche Babcock, which fell on Wednesday...

heavy, dividend-related trading. The stock will go ex-dividend today. Bank of New England climbed \$1 to \$94 as the stock continued to recover from its pre-Christmas sell-off...

Canada

VERY LIGHT, mid-session trading in Toronto left share prices little changed. There were some significant declines, mostly in the transportation and gold sectors...

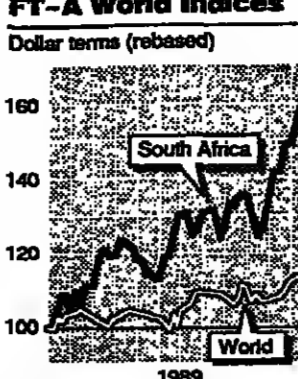
Gold and politics stimulate Johannesburg

Patti Waldmeir on the foreign influence behind the world's third best performance

POLITICALLY and economically, 1990 is expected to be a tough year for South Africa. But one would never know it from the country's equity market...

September 15 - was not the only factor behind the JSE's latest surge. For the first time in years, foreign buyers were a major factor in the market...

FT-A World Indices



largely confined to gold shares so far, to be extended to industrials, which have risen much less sharply in recent weeks. Since the end of October, the JSE Industrials Index has risen by 7.2 per cent...

spite of further privatisations, they point out that others of new equity totalling R3.5bn to the end of October 1989...

For the year as a whole, the market has risen by 63 per cent in dollar terms, behind Mexico, which has nearly doubled over the period, and Austria, which has gained 78 per cent.

ASIA PACIFIC

Nikkei climbs to third consecutive record

IN SPITE of a lack of buying interest and a spate of profit-taking before the new year break, the Nikkei average managed a third consecutive record high yesterday with the help of arbitrage activity...

machinery maker, benefited from rumours that its shares were being bought by Kobe Steel. It gained ¥8 to ¥1,210. Good business results supported Amada, a leading machine tool maker...

AUSTRALIA was unsettled by the earthquake in the industrial city of Newcastle, to the north of Sydney. This triggered selling in BHP, which suffered disruption to operations at a big steelworks there...

ceased to HK\$621m from HK\$781m on Wednesday. Hongkong Telecom shed 15 cents to HK\$5.5 after rising 20 cents on Wednesday.

turnover reached a busy NY\$1.42bn (US\$1.6bn) from Wednesday's NY\$1.06bn. After the close, Parliament approved an increase in the stock transaction tax to 0.5 per cent...

Advancing issues at 461, however, were just overtaken by declines at 463, while 199 were unchanged. Turnover slipped to 606m shares from 900m on Wednesday...

EXTERNAL events encouraged profit-takers in Australia and Hong Kong, while Taiwan closed its year on a high note.

KONG KONG suffered a steep drop in low turnover as investors took profits on utility and property shares that have made big strides in the past few sessions.

TAIWAN enjoyed a 3 per cent advance on the last trading day of the year, with heavy weighted financial stocks making the running.

RUANG LUMPUR closed at another record high as small investors took comfort from gains in Tokyo and Osaka. The index rose 4.96 to 584.66.

COMPANY NOTICES: NOTICE TO NOTES HOLDERS OF HONDA INTERNATIONAL FINANCE B.V. U.S.\$70,000,000 7 1/2% Notes Due 1991...

LEGAL NOTICES: NOTICE IS HEREBY GIVEN that by an Order dated 23rd December 1989 the Court has appointed separate receivers of the assets of the above-named company...

SPAIN: The Financial Times proposes to publish this survey on: 19th February 1990. For a full editorial synopsis and advertisement details, please contact: Richard Olive on 01-577 0909...

FT-ACTUARIES WORLD INDICES

Table with columns: NATIONAL AND REGIONAL MARKETS, WEDNESDAY DECEMBER 27 1989, THURSDAY DECEMBER 28 1989, DOLLAR INDEX. Rows include Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Italy, Japan, Malaysia, Mexico, Netherlands, New Zealand, Norway, Singapore, South Africa, Spain, Sweden, Switzerland, United Kingdom, USA, Europe, Nordic, Pacific Basin, Euro-Pacific, North America, World Ex. UK, World Ex. Japan, World Ex. USA, The World Index.

GENCOR LIMITED: ANNUAL GENERAL MEETING. The annual general meeting of the members of Gencor Limited will be held in the board room, sixth floor, General Manning Building, 6 Holland Street, Singapore, on Tuesday, 23 January 1990...

LEGAL NOTICES: Denton (Plant) Limited. NOTICE IS HEREBY GIVEN, pursuant to section 46(2) of the Insolvency Act 1986, that the creditors of the above-named company will be held at: Cork City, Shelagh House, 8 Mable Street, London EC2V 7QG...

LEGAL NOTICES: IN THE MATTER OF THE COMPANIES ACT 1981. The annual general meeting of the members of Gencor Limited will be held in the board room, sixth floor, General Manning Building, 6 Holland Street, Singapore, on Tuesday, 23 January 1990...

ELECTRONIC PAYMENT SYSTEMS: The Financial Times proposes to publish this survey on: 23rd January 1990. For a full editorial synopsis and advertisement details, please contact: Meyrick Simmonds on 01-873 4540...

LEGAL NOTICES: IN THE HIGH COURT OF JUSTICE Chancery Division. IN THE MATTER OF MARK SCOTT CONSTRUCTIONS LIMITED. Notice is hereby given that a meeting of creditors in the above matter is to be held at the Hotel, Oxford Road, Manchester, on Monday, 15th January 1990...

LEGAL NOTICES: IN THE MATTER OF THE COMPANIES ACT 1986. Notice is hereby given that a meeting of creditors in the above matter is to be held at the Hotel, Oxford Road, Manchester, on Monday, 15th January 1990...

CLUBS: EWE has advised the officers because of a policy on left play and value for money. Support from the Club and for members' numerous business enquiries. Southcoast, 01-704 0007, 189 Regent St, London.

AVIATION IN ASIA THE PACIFIC: The Financial Times proposes to publish this survey on: 8th February 1990. For a full editorial synopsis and advertisement details, please contact: PENNY SCOTT on 01-873 2995...

LEGAL NOTICES: IN THE HIGH COURT OF JUSTICE Chancery Division. IN THE MATTER OF THE COMPANIES ACT 1986. Notice is hereby given that a meeting of creditors in the above matter is to be held at the Hotel, Oxford Road, Manchester, on Monday, 15th January 1990...

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FINANCIAL TIMES: Number One Southwark Bridge London SE1 9HL. For a full editorial synopsis and advertisement details, please contact: Meyrick Simmonds on 01-873 4540...